HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Interim Consolidated Financial Statements and Explanatory Notes at June 30, 2025

(Translation of consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

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HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated balance sheet at June 30, 2025 and December 31, 2024

ASSETS	*Notes*	*06.30.2025*	*12.31.2024*
NON-CURRENT ASSETS			
Intangible assets	5	**26,405,819**	**30,472,798**
Patents		3,624	3,721
Software		128,210	159,674
Development		25,918,397	29,924,087
Other intangible assets		355,588	385,316
Intangible assets in progress and prepayments		-	-
Property, plant and equipment	6	**754,842**	**922,969**
Land and buildings		259,542	291,293
Technical installations and other PP&E items		495,300	631,676
Financial investments	8	**1,089,493**	**1,589,565**
Loans to third parties		704,001	720,774
Derivatives	16	-	425,999
Other financial assets		385,492	442,792
Deferred tax assets	18	**21,318,331**	**21,933,086**
Accruals	11	**4,633,928**	**4,395,405**
Total non-current assets		**54,202,413**	**59,313,823**
CURRENT ASSETS			
Inventories	10	**1,727,407**	**1,144,873**
Commercial inventories		1,400,638	1,014,010
Prepayments to suppliers		326,769	130,863
Trade and other receivables	9	**18,425,863**	**27,313,009**
Trade receivables for sales and services	17	12,113,482	19,772,020
Other receivables		5,018,737	5,612,257
Receivables from employees		60,253	39,725
Current income tax assets	18	621	4,260
Other receivables from Public Administrations	18	1,232,770	1,884,747
Financial investments		**6,783,649**	**11,097,099**
Loans to companies		4,522	4,522
Derivatives	8, 16	4,377,244	8,260,107
Other financial assets	8	2,401,883	2,832,470
Accruals	11	**6,760,935**	**9,211,792**
Cash and cash equivalents	12	**2,013,635**	**2,208,628**
Cash		2,013,635	2,208,628
Total current assets		**35,711,489**	**50,975,401**
TOTAL ASSETS		**89,913,901**	**110,289,224**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated balance sheet at June 30, 2025 and December 31, 2024

EQUITY AND LIABILITIES	*Notes*	*06.30.2025*	*12.31.2024*
EQUITY			
SHAREHOLDERS' EQUITY	13	**(25,546,192)**	**(12,820,037)**
Share capital		**764,661**	**731,329**
Issued capital		764,661	731,329
Share premium		**68,144,144**	**66,177,477**
Reserves		**(79,591,329)**	**(48,119,276)**
Legal and statutory reserves		131,332	131,332
Other reserves		(79,722,661)	(48,250,609)
Treasury shares		**(137,401)**	**(139,239)**
Profit/(loss) for the year		**(14,726,269)**	**(31,470,328)**
VALUATION ADJUSTMENTS		**(2,561,714)**	**(4,405,981)**
Hedging transactions	16	(2,561,714)	(4,405,981)
Total Equity		**(28,107,907)**	**(17,226,018)**
NON-CURRENT LIABILITIES			
Payables		**10,819,950**	**20,117,586**
Bank borrowings	14	9,607,920	16,522,979
Finance leases	14	12,029	12,029
Derivatives	16	-	82,578
Other financial liabilities	14	1,200,000	3,500,000
Total non-current liabilities		**10,819,950**	**20,117,586**
CURRENT LIABILITIES			
Payables		**38,972,608**	**31,242,193**
Bank borrowings	14	28,243,987	19,797,964
Finance leases	14	15,076	19,442
Derivatives	16	5,018,040	7,928,268
Other financial liabilities	14	5,695,505	3,496,519
Trade and other payables		**68,229,251**	**76,155,463**
Suppliers	15	55,875,258	66,712,986
Other payables	15	7,454,562	5,913,497
Employee benefits payable	15	463,924	692,310
Current income tax liabilities	16	1,715	1,715
Other payables to Public Administrations	15, 18	2,881,975	1,251,669
Customer advances	15	1,551,819	1,583,286
Accruals		-	-
Total current liabilities		**107,201,859**	**107,397,656**
TOTAL EQUITY AND LIABILITIES		**89,913,901**	**110,289,224**

Note: Notes 13 (Equity), 14 (Current and Non-current payables) and 22 (Subsequent events) provide tables showing the audited balances at 06.30.25 including the capital increase amounting to 15.5 M€ and the reclassification of current payables to non-current payables in accordance with the financial debt restructuring plan that came into force on June 29 effective from March 10, 2025.

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated income statement at June 30, 2025 and June 30, 2024

	Notes	06.30.2025	06.30.2024
CONTINUING OPERATIONS			
Revenue-	**19.a**	**79,206,590**	**152,250,417**
Sales		75,048,245	144,018,154
Rendering of services		4,158,346	8,232,263
Work performed by the entity and capitalized	**5.1**	**708,990**	**2,853,721**
Cost of sales-	**19.b**	**(67,713,727)**	**(127,649,179)**
Consumption of goods		(67,665,651)	(126,634,057)
Work performed by third parties		(434,703)	(1,015,122)
Change in inventory		386,628	(675,668)
Other operating income-		**365,075**	**593,840**
Ancillary income		365,075	593,840
Employee benefits expense-	**19.c**	**(6,548,655)**	**(12,226,703)**
Wages, salaries et al.		(5,180,254)	(9,499,502)
Social security costs et al.		(1,368,401)	(2,727,201)
Other operating expenses-		**(12,580,167)**	**(19,143,647)**
External services	**19.d**	(11,069,752)	(18,246,068)
Taxes		(1,436)	(5,385)
Losses on, impairment of and change in trade provisions	**9**	(1,508,979)	(892,194)
Depreciation and amortization	**5,6,19.e**	**(5,576,849)**	**(6,044,723)**
Other gains and losses	**19.f**	**(1,541,813)**	**(233,946)**
Non-recurring income and expenses		(1,541,813)	(233,946)
OPERATING PROFIT/(LOSS)		**(13,680,556)**	**(10,275,888)**
Finance income-		**7,644**	**401**
From marketable securities and other financial instruments		7,644	401
Finance costs-		**(1,033,030)**	**(1,802,934)**
Borrowings from group companies and associates		(2,330)	-
Third-party borrowings	**19.g**	(1,030,700)	(1,802,934)
Exchange gains (losses)		**(20,357)**	**(9,320)**
Impairment losses and gains (losses) on disposals of financial instruments	**19.h**	**-**	**(1,385,864)**
FINANCE COST		**(1,045,743)**	**(3,197,717)**
PROFIT/(LOSS) BEFORE TAX		**(14,726,299)**	**(13,473,605)**
Income tax	**18**	30	-
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(14,726,269)**	**(13,473,605)**
PROFIT/(LOSS) FOR THE YEAR		**(14,726,269)**	**(13,473,605)**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated statement of changes in equity at June 30, 2025

A) Statement of recognized income and expenses at June 30, 2025 and 2024

	06.30.2025	06.30.2024
PROFIT/(LOSS) FOR THE YEAR	**(14,726,269)**	**(13,473,605)**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY		
From cash flow hedges	4,784,967	1,844,871
Tax effect	(1,196,242)	(461,218)
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY	**3,588,725**	**1,383,653**
AMOUNTS TRANSFERRED TO INCOME STATEMENT		
From cash flow hedges	(2,325,944)	(1,011,515)
Tax effect	581,486	252,879
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT	(1,744,458)	**(758,636)**
TOTAL RECOGNIZED INCOME AND EXPENSES	**(12,882,002)**	**(12,848,588)**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated statement of changes in equity at June 30, 2025

B) Consolidated statement of changes in equity at June 30, 2025 and 2024

	Share capital (Note 13)	Share premium (Note 13)	Reserves (Note 13)	Treasury shares (Note 13)	Profit/(loss) for the year	Valuation adjustments (Note 13)	Total Equity
BALANCE AT December 31, 2023	**656,662**	**61,772,144**	**(20,186,839)**	**(193,341)**	**(26,167,058)**	**(4,503,108)**	**11,378,460**
Adjustments for errors in 2023 (Note 2.1)					(1,492,238)		(1,492,238)
ADJUSTED BALANCE AT JANUARY 1, 2024	**656,662**	**61,772,144**	**(20,186,839)**	**(193,341)**	**(27,659,296)**	**(4,503,108)**	**9,886,222**
Total recognized income / expenses	**-**	**-**	**-**	**-**	**(13,473,605)**	**625,017**	**(12,848,588)**
Transactions with shareholders	-	-	-	-	-	-	-
Other transactions	-	-	(264,207)	54,103	-	-	(210,104)
Appropriation of prior-year profit/(loss)	-	-	(27,659,296)	-	27,659,296	-	-
BALANCE AT JUNE 30, 2024	**656,662**	**61,772,144**	**(48,110,342)**	**(139,238)**	**(13,473,605)**	**(3,878,091)**	**(3,172,470)**

	Share capital (Note 13)	Share premium (Note 13)	Reserves (Note 13)	Treasury shares (Note 13)	Profit/(loss) for the year	Valuation adjustments (Note 13)	Total Equity
BALANCE AT DECEMBER 31, 2024	**731,329**	**66,177,477**	**(48,119,276)**	**(139,238)**	**(31,470,328)**	**(4,405,981)**	**(17,226,018)**
ADJUSTED BALANCE AT JANUARY 1, 2025	**731,239**	**66,177,477**	**(48,119,276)**	**(139,238)**	**(31,470,328)**	**(4,405,981)**	**(17,226,018)**
Total recognized income / expenses	**-**	**-**	**-**	**-**	**(14,726,269)**	**1,844,267**	**(12,882,002)**
Transactions with shareholders	33,333	1,966,667	-	-	-	-	2,000,000
Other transactions	-	-	(1,725)	1,838	-	-	113
Appropriation of prior-year profit/(loss)	-	-	(31,470,328)	-	31,470,328	-	-
BALANCE AT JUNE 30, 2025	**764,662**	**68,144,144**	**(79,591,329)**	**(137,401)**	**(14,726,269)**	**(2,561,714)**	**(28,107,907)**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated cash flow statement at June 30, 2025 and June 30, 2024

	Notes	06.30.2025	06.30.2024
Profit/(loss) before tax		**(14,726,299)**	**(13,473,605)**
Adjustments to profit		**8,111,214**	**11,585,115**
Depreciation and amortization (+)	5, 6	5,576,849	6,044,723
Impairment losses (+/-)		1,508,979	892,194
Changes in provisions (+/-)		-	-
Finance income (-)		(7,644)	(401)
Finance costs (+)		1,033,030	1,802,934
Exchange gains (losses)		-	9,320
Other income and expenses (-/+)		-	2,836,345
Change in working capital		**1,081,753**	**23,497,291**
Inventories (+/-)		(582,534)	675,668
Trade and other receivables (+/-)		7,378,166	16,127,628
Other current assets (+/-)		2,450,857	-
Trade and other payables (+/-)		(7,926,213)	6,549,475
Other current liabilities (+/-)		-	-
Other non-current assets and liabilities (+/-)		(238,523)	144,519
Other cash flows from/(used in) operating activities		**(1,025,356)**	**2,148,279**
Interest paid (-)		(1,033,030)	(1,811,853)
Interest received (+)		7,644	-
Income tax receipts (payments) (+/-)		30	(228)
Other payments (receipts) (-/+)		-	3,960,361
Cash flows from/(used in) operating activities (1+2+3+4)		**(6,558,688)**	**23,757,080**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Payments on investments (-)		**2,938,109**	**(6,518,459)**
Intangible assets	5	(1,341,743)	(4,528,776)
Property, plant and equipment	6	-	515,187
Other financial assets		4,279,852	(2,504,870)
Proceeds from disposals (+)		**-**	**7,504,336**
Other financial assets		-	7,504,336
Cash flows from/(used in) investing activities (6+7)		**2,938,109**	**985,878**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		**2,000,000**	**-**
Issuance of equity instruments (+)		2,000,000	-
Acquisition of own equity instruments (-)			-
Proceeds from and payments on financial liabilities		**1,425,586**	**(30,684,787)**
Issues			22,700,000
Bank borrowings (+)		*(101,013)*	*22,700,000*
Other payables			-
Repayment and redemption of:			(53,384,787)
Bank borrowings (-)		*1,526,599*	*(3,285,551)*
Other payables (-)			*(50,099,236)*
Cash flows from/(used in) financing activities (9+10+11)		**3,425,586**	**(30,684,787)**
Net foreign exchange difference			
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(194,993)**	**(5,941,829)**
Cash and cash equivalents at the beginning of the period	**12**	**2,208,628**	**7,885,702**
Cash and cash equivalents at the end of the period	**12**	**2,013,635**	**1,943,873**

1. Activity

The Parent Company, HOLALUZ-CLIDOM, SA (hereinafter Holaluz or the Parent Company) was incorporated under the name CLIDOM ENERGY, S.L. on November 12, 2010. It is domiciled in Barcelona at Passeig de Joan de Borbó, 99, 08039, 4th floor.

The activity of the Group's parent company consists in:

a) Running and managing, as the parent company, the entire business dynamic of its subsidiaries.
b) The purchase and sale, even at an international level, production and commercialization of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. Additionally, the Company provides energy, environment and telecommunications advisory and engineering services.

It also acts as a representative before third parties, and specifically in the electricity market, of power stations that produce electricity under a special regime applicable to electricity produced from renewable energy sources, as well as the installation of solar panels.

Its main activity is the commercialization of energy in general.

As defined in article 42 of the Spanish Commercial Code, the Parent Company is the parent of a group of companies (hereinafter "the Group") that consists of the parent itself and the subsidiaries listed below and prepares consolidated financial statements.

The Group's functional currency is the euro.

At the general meeting held on October 25, 2019 the shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Company's shareholders' equity by a maximum effective amount of 30M euros (nominal amount + share premium). It was also resolved to make a request for all Company outstanding shares to be traded on the Alternative Stock Market (MAB; Growth Company Segment: MAB-EE by its acronym in Spanish, currently BME Growth Bolsas y Mercados Españoles), specifically shares issued within the public offering framework. Said capital increase was approved on November 21, 2019 by the Company's Board of Directors (Note 11), and shares were admitted to trading on the MAB-EE on that same date.

1.1. Subsidiaries

At June 30, 2025 the Parent Company holds a direct ownership interest in the following companies:

- Clidomer Unipessoal, LDA (wholly owned at June 30, 2025) is a sole shareholder company that was incorporated on December 22, 2017 and is domiciled in Lisbon, at Av. Jose Malhoa 16 B. Its main activity is the manufacture, purchase, sale and commercialization of energy and goods inherent to the electricity market.

- Clidom Italia, SRL (wholly owned at June 30, 2025) is a limited liability company that was incorporated on May 8, 2018 and is domiciled in Milan at via Gabba Fratelli, 4. Its corporate purpose consists in the sale of electricity, gas and other energy products. At the date the interim financial statements at June 30, 2025 were prepared, the company is dormant.

- Clidom France, SARL (wholly owned at June 30, 2025) is a limited liability company that was incorporated on September 10, 2018 and is domiciled in Paris at Avenue de l'Opera 75001. Its corporate purpose consists in the sale of gas, electricity and other energy products in France. At the date the interim financial statements at June 30, 2025 were prepared, the company is dormant.

- Holaluz Generación, S.L. (formerly, Orwell Power, SL, wholly owned at June 30, 2025) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and commercialization of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. It also provides energy, environmental and telecommunications advisory and engineering services. The company started its activity during the year ended September 30, 2020. Additionally, said subsidiary is the sole shareholder of the company Holaluz Rooftop Revolution, SL.

- Clidom Solar, SL (wholly owned at June 30, 2025) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and commercialization of energy in general, natural gas and telecommunications, even their transfer, regardless of the source of generation and production, the rendering of advisory and engineering services in the fields of energy, environment and telecommunications.

- Clidom Generación, SL (wholly owned at June 30, 2025) is a sole shareholder limited liability company that was incorporated on September 26, 2019 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the production or generation of electricity, including the generation of renewable electricity, and the construction, operation and maintenance of production facilities. This activity can be carried out directly or through the acquisition of an ownership interest in special purpose vehicles that own the generation projects. At the date the interim financial statements at June 30, 2025 were prepared, the company is dormant.

- Clidom Energía Ibérica, SL (wholly owned at June 30, 2025 and formerly named Bulb Energía Ibérica, S.L.) is a limited liability company that was incorporated on April 30, 2019 and is domiciled in Barcelona at Passeig Joan de Borbó 99-101, 08039. Its corporate purpose consists in the commercialization and distribution of electricity from renewable sources. At the date the interim financial statements at June 30, 2025 were prepared, the company is dormant.

At June 30 2025, the Parent Company holds an indirect ownership interest in the following companies:

- Holaluz Rooftop Revolution, SL is a sole shareholder limited liability company domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose is to provide financial support for private projects consisting in the purchase or installation of solar panels and to grant loans and credits (including consumer loans) and other financing transactions for developing the self-consumption business and distributed generation of energy. Its corporate purpose also consists in transactions or activities related or supplementary to the abovementioned ones or any transactions or activities that are

necessary or advisable for the development of these activities or favor their development. This company started its activity in June 2021.

- Katae Energía, SL (wholly owned by Clidom Solar, SL at June 30, 2025) is a limited liability company that was incorporated on September 25, 2012 and is domiciled in Lleida at calle Marqués de Leganés, 12. Its corporate purpose consists in (i) the promotion of energy efficiency, sensible use of energy and integration of renewable energies, in households and bioclimatic urban spaces, to adopt a sustainable energy system; (ii) the entire construction, repair, restoration, renovation, rehabilitation and maintenance of buildings and civil works, and the intermediation in all types of real estate transactions.

- Gestión Hidráulica Canarias, SL (wholly owned by Katae Energía, SL at June 30, 2025) is a limited liability company that was incorporated on April 13, 2015 and is domiciled in Santa Cruz de Tenerife at Punta de la Vista, 3. Its corporate purpose consists, among others, in the construction, installation and maintenance of solar heating and cooling systems. The company was acquired by Katae Energía SL in January 2022. At the date the interim financial statements at June 30, 2025 were prepared, the company is dormant.

2. Basis of presentation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared from the accounting records of the Parent Company and the companies detailed in point 1.1, applying the Spanish GAAP approved by Royal Decree 1514/2007, of November 16, and amended several times since publication (last time through Royal Decree 1/2021 of January 12), and are presented in accordance with Royal Decree 1159/2010 of September 17, approving the standards for the preparation of consolidated financial statements, and prevailing mercantile legislation.

The interim consolidated financial statements have been authorized for issue by the Parent Company's Directors.

Unless otherwise indicated, all figures in the interim consolidated financial statements are presented in euros.

a) True and fair view

The interim consolidated financial statements at June 30, 2025 have been prepared in accordance with the regulatory framework for financial information applicable to the Group and established by Spanish GAAP, which were passed by Royal Decree 1514/2007 of November 16, and amended several times since publication (last time through Royal Decree 1/2021, of January 12), and enacting regulations, as well as prevailing mercantile law, and, should no disagreement with the former exist, by Royal Decree 437/1998 of March 20, approving the electricity sector adaptation standards.

These interim consolidated financial statements give a true and fair view of the Group's equity and financial position at June 30, 2025, as well as the results of its operations, changes in equity and cash flows for the period comprised between January 1 and June 30, 2025 and have been prepared from the accounting records of the several group companies.

b) Consolidation principles

The interim consolidated financial statements have been prepared using the full consolidation method for all subsidiaries over which the Parent Company has control (Clidomer Unipessoal, LDA, Clidom France, SARL, Clidom Italia, SRL, Clidom Solar, SL, Holaluz Generación, SL, Holaluz Rooftop Revolution, SL, Clidom Generación, SL, Katae Energía, SL, Clidom Energía Ibérica, S.L. and Gestión Hidráulica Canarias, SL).

The Parent Company's investment therein has been eliminated on consolidation in the percentage corresponding to the shareholders' equity of the subsidiaries. The differences arisen have been assigned, as far as possible, to the assets and liabilities of the subsidiaries, whose fair value at the date of first consolidation is different from that recorded in the books. The remaining amounts, if any, have been allocated to goodwill on consolidation or to the negative consolidation reserve.

The companies composing the Group apply basically the same accounting policies in their separate financial statements and close their business year at December 31, 2025. Reciprocal balances in the balances sheet and the income statement, as well as significant unrealized margins, have been eliminated.

c) Going concern principle

At June 30, 2025, the consolidated balance sheet shows negative working capital amounting to 71.5 million euros (negative working capital of 56.4 million euros at December 31, 2024) and half-year losses of 14.7 million euros (losses of 13.5 million euros for the same period of the prior year), mainly due to the delay in the execution of the Business Plan as a result of a delay in the coming into force of the Restructuring Plan.
The aforementioned circumstances may cast doubt as to the Group's ability to continue as a going concern. However, there are some mitigating factors.

As indicated in Note 23, on July 23, 2025 a capital injection amounting to 15.5 million euros was completed, with the conversion into capital and premium of the convertible loan taken out from Icosium Investment, S.L. on March 13, 2025. With this milestone the second phase of the investment agreement announced in November 2024 was completed.

As indicated in Note 23 as well, on July 29, 2025 the Financial Debt Restructuring Plan signed on March 10, 2025 came into force after judicial approval was obtained with no contestation by any of the affected creditors.

Both of the aforementioned transactions strengthened the balance sheet at the date these interim consolidated financial statements were authorized for issue, thus significantly improving equity and working capital compared to the position at June 30, 2025 (Note 23).

At the date these interim consolidated financial statements were authorized for issue, the Parent Company's Management has prepared cash projections for the next twelve months, considering negotiations with suppliers and the fulfillment of the Business Plan that has been updated as a result of the delay in the coming into force of the Restructuring Plan.

Additionally, said Business Plan does not consider the expected receipt of NextGen funds that will provide additional support to the financial structure and will allow the Group to make a key investment in technology to complete the execution of the Rooftop Revolution project.

The Board of Directors of the Parent Company has prepared the interim consolidated financial statements under the going concern principle, considering the milestones already achieved, the high expectations that the Business Plan and cash projections will be fulfilled, which will allow the Group to develop its business normally and meet the expected payment obligations.

d) Comparison of information

In accordance with prevailing mercantile legislation, for comparative purposes, the figures for the year ended December 31, 2024 have been included for each item of the consolidated balance sheet and the consolidated statement of changes in equity. For comparative purposes, the figures for the 6-month period ended June 30, 2024 have been included for each item of the consolidated income statement and the consolidated cash flow statement. The explanatory notes to the financial statements also include quantitative and qualitative information at said dates, presented in the balance sheet or the income statement, as appropriate, except where disallowed by an accounting standard.

e) Accounting principles

The interim consolidated financial statements at June 30, 2025 were prepared in accordance with the generally accepted accounting principles and measurement standards described in section 3 to the explanatory notes. All mandatory accounting principles have been applied.

f) Critical issues concerning the assessment of uncertainty

The accompanying interim consolidated financial statements were prepared using estimates made by the Parent Company's Directors to measure the assets, liabilities and commitments recognized therein. These estimates basically refer to:

- The capitalization and useful lives of intangible assets (Note 3a and 3b).
- The assessment of possible impairment losses on certain assets (Note 3c).
- The fair value of certain financial instruments (Note 3e).
- Provisions for unbilled income from energy supplied to customers and provisions for expenses for the purchase of energy and cost of tariffs pending invoice (Note 3l).
- The estimated projections for assessing the recovery of tax credits related to deductions (Notes 3g and 18).
- Current and non-current accrued expenses and useful lives of contracts with customers (Note 3n).

Although these estimates were made on the basis of the best information available at June 30, 2025, events may occur in the future that require prospective adjustments (upwards or downwards) to these estimates in subsequent years.

g) Grouping of items and Current/non-current classification of items

Certain items in the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, and the consolidated statement of changes in equity have been aggregated with other items to make them easier to understand; however, whenever the amounts involved are material, the information is disclosed separately in the related notes.

For items to be classified as current, a maximum period of 1 year from the reporting date of these interim consolidated financial statements has been considered.

h) Regulatory framework. General overview

Electricity sector regulations in Spain are detailed in Law 24/2013, of December 26, 2013 on the Electricity Sector (hereinafter 'Electricity Sector Law'), repealing Law 54/1997, of November 27. The most significant matters set out by said Law and subsequent regulations for its implementation are as follows:

- Electrical energy production is carried out in a free market.
- The energy dispatch of power plants is established through a daily market that consists in 24 hourly auctions that match supply with demand. The matching price corresponds to the marginal price of the auctions. Production under the specific remuneration system receives the price resulting from the market and is supplemented by regulated remuneration.
- The transmission, distribution and economic and technical management of the system are considered regulated activities.
- The supply of electricity is fully deregulated and all consumers must contract the supply of electricity with a power marketer. As of July 1, 2009 consumers that meet certain characteristics may choose to contract the supply of electricity with a Marketer of Reference and they will be applied the 'voluntary price for the small consumer' tariff. This tariff is linked to the hourly price set in the daily market.
- The tariff chosen by most household consumers is called Voluntary Price for Small Consumers (VPSC), whereas the Last Resort Tariff (LRT) is for vulnerable consumers and for consumers who do not meet the requirements for being entitled to the Voluntary Price for Small Consumers (VPSC) but do not temporarily have an agreement in force with a power marketer in the free market.

Access tariffs and electric charges are the same throughout Spain and are collected by the marketers and paid to the distributors and transmitters.

Royal Decree 413/2014 of June 6, regulating the production of electrical energy by means of renewable energy sources, cogeneration and waste.

Royal Decree 15/2018, of October 5, regulating urgent measures for energy transition and consumer protection and modifying and repealing certain terms of the Electricity Sector Law, of Royal Decree 1995/2000, of December 1, regulating the transmission, distribution and commercialization activities, among others, of RD 900/2015, of October 9, regulating the administrative, technical and economic conditions of the supply of electrical energy with self-consumption models, of Law 15/2012, of December 27, on tax measures for energy system sustainability, and of Law 38/1992 of December 28, on Special Taxes. The most significant items established by this regulation are as follows:

- The right to consume electrical energy without charges is recognized, as well as shared supply by one or several consumers to take advantage of the economies of scale and administrative and technical procedures for small-power facilities are simplified.

- Self-consumed energy of a renewable, cogeneration and waste origin is exempt from charges and tariffs. Consequently, the charge imposed to self-consumers for the energy generated and consumed in their own facilities, the so-called 'sun tax' has been repealed.

- The administrative procedures for facilities of up to 100kW included in the self-consumption without surplus model are simplified, and must exclusively meet the requirements of the corresponding technical regulations and, specifically, the Low-Voltage Electro-technical Regulations. Also, the need to process certain access and connection permits for facilities of less than 15kW included in the self-consumption without surplus model is eliminated. Lastly, self-consumption facilities with less than 100kW power, are exempt from registration in the Administrative Register of Electrical Energy Production Facilities.

- Any consumer is allowed (even if it is not the direct consumer of the market) to purchase power by means of a bilateral agreement with a producer (PPA), driving economy towards decentralization.

- The coverage of the electricity social tariff is extended, so it is now prohibited to cut off the power supply to households adhered to the social tariff with at least a 16 year old minor or with at least one person with a disability equal to or greater than 33%, among others.

- Additionally, the thermal social tariff is created. This is a direct economic aid so that vulnerable households can pay the heating, and hot water bills, among others.

Self-consumption regulations have been developed by Royal Decree 244/2019 of April 5, regulating the administrative, technical and economic terms and conditions of electricity self-consumption.

Royal Decree Law 29/2021 adopting urgent measures on energy to encourage e-mobility, self-consumption and deployment of renewable energies introduced two significant amendments regarding self-consumption:

- It also eliminated the requirement for nearby facilities to be connected in low voltage to distribution and transmission systems through the grid.

- It amended RD 1183/2020 on access and connection to transmission and distribution systems, releasing self-consumption facilities with excess power installed not exceeding 100 kW from having to deposit economic guarantees for processing the connection to the grid.

- During the state of emergency comprised between March 14 and June 21, 2020 exceptional social and economic measures were implemented to tackle the social and economic crisis generated by the COVID-19 pandemic that affected the electricity and gas commercialization activity. The main measures established in Royal Decree Law 11/2020 were as follows:

- The coverage of the social tariff was extended to the following consumers: (i) professionals who were entitled to this benefit as a result of total cessation of business or a 75% decrease in turnover in the month prior to applying for the social tariff; (ii) and who also showed joint household income thresholds of 2.5 (childless), 3 (one child) or 3.5 (two or more children) times the IPREM (public indicator of income of multiple effects) at 14 pays.

- Bans on electricity or gas shutoffs at the consumers' usual homes were imposed until April 11, a period that was extended to September 20, 2020 through Royal Decree Law 26/2020.

- Flexible electricity and gas supply contracts for freelancers and companies were offered, with the possibility of fully suspending or amending the contract to change to another option with the same marketer (change in power contracted, daily volume contracted, inclusion into a level of tariffs corresponding to lower consumption...) with no penalty to end consumers.

- Finally, the payment of electricity and gas invoices for invoicing periods comprising days included in the state of emergency was suspended for freelancers and SMEs. This measure freed marketers from the duty to pay the access tariff in these invoices until the end customer paid all invoices, and from settling VAT, Special Tax on Electricity and Tax on Hydrocarbons until six months had passed since the end of the state of emergency.

The lack of a caption for the commercialization of electricity was eradicated by passing Spain's 2021 General State Budget Act 11/2020, whereby RDL 1175/1990 was modified and a caption for the commercialization of electricity activity (151.6) was added that considers a national tax charge for this tax.

As for the Special Electricity Tax, a reform has been introduced whereby the electricity supplied subject to compensation with the surplus hourly energy of the customers adhered to simplified compensation is exempt from this tax.

As for electric tariffs and charges, the Spanish National Markets and Competition Commission (CNMC) approved Circular 3/2020, which establishes the methodology for calculating electricity transmission and distribution tariffs. Furthermore, the Ministry for Ecological Transition and Demographic Challenge approved Royal Decree 148/2021 of March 9, establishing a methodology for calculating electrical system charges, setting a new methodology for charges and tariffs that came into force last June 1, 2021.

Additionally, as for the gas industry, the Spanish National Markets and Competition Commission (CNMC) approved Circular 6/2020, which establishes the methodology for calculating electricity transmission and distribution tariffs. Furthermore, the Ministry for Ecological Transition and Demographic Challenge approved Royal Decree 1184/2020 of December 29, establishing the methodologies for calculating gas system charges, regulated remuneration for basic underground storage and fees applied for their use, setting a new methodology for gas charges and tariffs that came into force last October 1, 2021.

To mitigate the rise in the prices of gas and electricity in 2021, Royal Decree Law 12/2021 on urgent energy taxation measures approved to reduce to 10% the tax rate applicable to the value added tax in electricity supply contracts where the power contracted is lower than or equal to 10kW provided that the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45 €/MWh during the period comprised between June 26 and December 31, 2021. This period was extended to April 30, 2021 through Royal Decree Law 29/2021, of December 21, adopting urgent measures on energy to encourage e-mobility, self-consumption and deployment of renewable energies. The period of validity was extended again to December 31, 2022 through Royal Decree Law 6/2022. This period was extended to December 31, 2022 through Royal Decree Law 11/2022. Finally, Royal Decree Law 8/2023, of December 27, adopting measures for dealing with the economic and social impacts of the conflicts in Ukraine and the Middle East, and for mitigating the effects of the drought, establishes the following measures:

- Extension of the VAT rate reduction on energy products, setting a 10% VAT from January 1 to December 31, 2024 for EU deliveries, imports and acquisitions of electricity made in favor of: i) a) holders of electricity supply contracts with contracted power lower than or equal to 10kW regardless of the level of voltage and type of contract, when the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45€/MWh; b) holders of electricity supply contracts that are receivers of the electricity social tariff and are recognized as acutely vulnerable consumers and acutely vulnerable consumers at risk of social exclusion.
- From January 1 to March 31, 2024, a 2.5% tax rate has been established for the excise tax on electricity, which will increase to 3.8% from April 1 to June 30, 2024.
- The tax on the value of electricity production (IVPEE by its acronym in Spanish) has been reintroduced during 2024.
- The discount percentages on the electricity social tariff set forth in Royal Decree-Law 18/2022 on anticrisis measures have been extended to June 30, 2024. The temporary application of the electricity social tariff for low-income households that are especially affected by the energy crisis has also been extended to June 30, 2024.

Also in this line, Royal Decree Law of September 14, on urgent measures to mitigate the impact of the rise in the prices of natural gas in the gas and electricity retail markets, approved a discount in electric charges for the period comprised between September 16 and December 31, 2021.

Additionally, Decree Law 17/2021 approved an amendment to the tax rate applicable to the excise tax on electricity effective from September 16 to December 31, 2021, which has been reduced from 5.1% to 0.5%, which is the lowest tax rate allowed by EU regulations, provided that the lowest taxation level is not below 0.5 euros per megawatt-hour, if said electricity is used for professional purposes, and 1 euro per megawatt-hour in the rest of cases. This period was extended to April 30, 2022 through Royal Decree Law 29/2021 and subsequently it was extended again to December 31, 2022 through Royal Decree Law 6/2022. This period was extended to December 31, 2022 through Royal Decree Law 11/2022. The aforementioned information shall be considered, as in accordance with Royal Decree-Law 8/2023, of December 27, a 2.5% tax rate has been established for the excise tax on electricity, which will increase to 3.8% until June 30, 2024.

Royal Decree Law 6/2022 effective from March 31, 2022, adopting urgent measures within the Spanish national plan to deal with the economic and social consequences of the war in Ukraine, has adopted measures such as the reduction of electric charges as from March 31, 2022 until the end of the year and has revised the social tariff, in relation to both beneficiaries and the mechanism used to fund it: the social tariff and the co-financing cost of supply and default by highly vulnerable customers is assumed by the entities operating in the electricity industry participating in power supply chain activities, including the production, transmission, distribution and commercialization of electricity, as well as direct consumers.

In addition to the measures indicated above, Royal Decree Law 6/2022 has passed further measures such as reducing the remuneration of the electricity production activity carried out at production facilities that do not emit GHG, amending the obligation to maintain minimum emergency stocks, diversifying natural gas supply, reducing access tariffs by 80% for electrointensive industry, and revising the special regime (RECORE), among others. All these measures are aimed at mitigating the rise in the prices of electricity and natural gas caused by the war in Ukraine.

Another measure to mitigate the rise in prices has been the one approved through Royal Decree Law 10/2022, which establishes a temporary mechanism, until May 1, 2023 at the latest, for adjusting the production cost of marginal fossil technologies. The amounts corresponding to this adjustment are paid by the consumers that benefit from said reduction, which in the end results in a lower final price than the one that would be applied should the measure not have been implemented. However, if a hedging instrument was arranged before April 26, 2022, it can be used to exempt related energy from the payment of the adjustment cost.

Also, Royal Decree Law 11/2022 adopts and extends certain measures taken to face the economic and social consequences of the war in Ukraine, to address social and economic vulnerabilities and to stimulate economic and social recovery in the island of La Palma. Among others, the following measures will remain in force until December 31, 2022: extension of taxable base at 0 euros of the Tax on the value of electricity production, flexible gas supply contracts, social tariff discounts, prohibition of cutting off electricity or gas to vulnerable and acutely vulnerable consumers and consumers at risk of social exclusion, and reduction of remuneration of the electricity production activity carried out at production facilities that do not emit GHG. Additionally, revisions of the price of the last resort gas tariff have been extended and the scope of application of the fast-track procedure for processing renewable plants has changed from moderate environmental sensitivity areas to just low environmental sensitivity areas.

Royal Decree Law 20/2022, of December 27, on measures for addressing the economic and social consequences of the war in Ukraine and for supporting reconstruction in the island of La Palma and other situations of vulnerability, was passed, extending certain measures previously adopted in the field of energy. Among these measures there is the extension until December 31, 2023 of the reduction in the Value Added Tax (reduced rate at 5%) of deliveries of electricity, natural gas and briquettes or pellets from biomass and tinder used as fuel in heating systems. In the case of electricity, the reduction is limited to EU deliveries, imports and acquisitions of electricity made in favor of: a) holders of electricity supply contracts with contracted power lower than or equal to 10kW regardless of the level of voltage and type of contract, when the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45€/MWh; b) holders of electricity supply contracts that are receivers of the electricity social tariff and are recognized as acutely vulnerable consumers and acutely vulnerable consumers at risk of social exclusion; the extension until December 31, 2023 of the reduction in the excise tax on electricity, applying a tax rate of 0.5%; and the extension until December 31, 2023 of taxable income at 0 euros of the Tax on the value of electricity production. All these measures will no longer be in force as a result of the publication of Royal Decree Law 8/2023, of December 27, adopting measures

for dealing with the economic and social impacts of the conflicts in Ukraine and the Middle East, and for mitigating the effects of the drought.

Royal Decree Law 7/2024, of November 11, was passed, adopting urgent measures to promote the Immediate Response, Reconstruction and Relaunch Plan addressing the damage caused by the flash floods that struck several towns between October 28 and November 4, 2024 in order to incorporate certain energy measures applicable to the people affected by the floods. Until December 31, 2025, the feed points located in the towns listed in appendix RD 6/2024, of November 5, may adhere to the following measures:

- Temporary suspension of or modification to electricity supply contracts, or extension thereof, to contract another option with the current marketer, and adapt the contracts to new consumption patterns without any penalty whatsoever.

- As from December 31, 2025, and within three months, consumers that had requested the suspension of their supply contracts may request that they are reactivated. Within this three-month period, consumers that had requested a modification to their contracts may request a new modification, or new values in the technical parameters of the third-party network access contract.

- Temporary suspension of supply contracts and third-party network access contracts, in the feed points of any of the towns in the appendix where supply was interrupted as a result of the floods.

- Exceptionally, and until December 31, 2025:
    - Electricity supply contracts cannot be suspended in the household of a consumer that is a natural person if the household is located in any of the listed towns.
    - The owners of the feed points located in the towns listed in the appendix may request that their marketer suspend the payment of the bills corresponding to invoicing periods that contain days integrated into the aforementioned period, including all billing items.

- In the event of postponement of bills, the marketers:
    - will be freed from the duty to pay the tariff for accessing transport and distribution networks and electric system charges corresponding to the bills that the distributing companies requested to be postponed, set forth in paragraph d) of article 46.1 to Law 24/2013, of December 26, on the Electricity Sector, until the consumer settles the bill in full.
    - will have to provide the distributing company with the information on the owners of the feed points, and related Universal Feed Point Code (CUPS by its acronym in Spanish), that have requested that payment be postponed.
    - will be exempt from the settlement of VAT, if applicable, corresponding to the bills the payment of which was suspended in accordance with this measure, until the consumer settles them in full or six months have passed since this royal-decree law came into force.

- Once this postponement period ends, the amounts owed will be adjusted in equal parts in the bills issued by the power marketers, corresponding to the invoicing periods into which the following six months are integrated. The consumers that adhere to the suspension of bills set forth in this article may not change to another power marketer until said adjustment is completed.

g) Consolidation methodology

Consolidation method

All subsidiaries have been accounted for using the full consolidation method.

Standardization

To standardize the presentation of the various items comprising the accompanying interim consolidated financial statements, the recognition and measurement accounting policies of the Parent Company have been applied to all companies included in the scope of consolidation.

Elimination of internal transactions

The balances and transactions between the several companies composing the Group have been eliminated.

2.1 Correction of errors

In July 2024, when the Group filed the 2023 income tax return, it detected that IT deductions arisen in prior years had not been correctly recorded. The Parent Company has corrected this error retroactively, amending the 2023 figures as well as the initial reserves for that year. Thus, corrections to comparative figures for each of the items in the documents comprising the consolidated financial statements are as follows:

- Consolidated Balance Sheet at December 31, 2023

(Thousands of euros)	Debit/(Credit)
Deferred tax assets – Decrease	(2,188)
Reserves – Decrease	696
Profit/(loss) for the year – Decrease	1,492

3. Recognition and measurement accounting policies

The main recognition and measurement accounting policies applied in the preparation of these interim consolidated financial statements are the following:

a) Intangible assets

As a general rule, intangible assets are recorded provided that the identifiability criteria is met and are initially measured at acquisition or production cost. Subsequently, they are stated at cost less accumulated amortization and any recognized impairment loss.

Intangible assets are amortized on a straight-line basis over their estimated useful lives and residual values. Amortization methods and periods are reviewed at year end, and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at year end and are written down where applicable.

a.1) Industrial property

It is initially measured at acquisition or production cost, including registration and processing costs. It is amortized on a straight-line basis over its useful life (10 years).

a.2) Development costs

Technical innovation expenses incurred during the year are recorded in the income statement. However, the Group capitalizes these expenses as an intangible asset provided that the following conditions are met:

- The related assets are specifically itemized by project and costs are clearly established so that they can be distributed over time.

- It is possible to demonstrate the technical feasibility and financial profitability of the project.

They are amortized on a straight-line basis over their useful lives (5 years).

a.3) Software

This caption includes the amounts paid for the ownership or use of software programs.

Software programs that meet the recognition criteria are capitalized at their acquisition or production cost. They are amortized on a straight-line basis over a period of three and six years from the date each application is put to use.

Work performed by the Group and capitalized as intangible assets is recorded following the same criteria as for determining the production cost of inventories. Production cost is capitalized with a credit to the costs attributable to the asset in the 'Work performed by the Company and capitalized' caption in the income statement.

Software maintenance costs are recognized in the income statement for the year in which they are incurred.

b) Property, plant and equipment

Property, plant and equipment items are measured at acquisition or production cost. Subsequently, they are stated at cost less accumulated depreciation and any recognized impairment loss.

Indirect taxes levied on the acquisition of property, plant and equipment are included only in the acquisition cost when that amount is directly recoverable from the tax authorities.

Expenses incurred for expansion, remodeling or improvements which increase the productivity, capacity, or prolong the useful life of the asset are recorded as an increase in the cost of the assets. Repairs and maintenance expenses are charged to the profit and loss account of the year incurred.

Property, plant and equipment items are depreciated on a straight-line basis over the estimated useful life of the asset in accordance with the following annual percentages:

Property, plant and equipment	Percentage applied	
	06.30.2025	12.31.2024
Technical installations	10%	10%
Furniture	10%	10%
Data processing equipment	25%	25%
Other items	10%	10%

c) Impairment loss on intangible assets and property, plant, and equipment items

Property, plant and equipment items and intangible assets are deemed to be impaired when carrying amount exceeds recoverable value, which is understood to be the higher of fair value less costs to sell and value in use.

The Group assesses at each year end whether there is an indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of fair value of the asset less cost to sell and value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired. To assess value in use, expected future cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment loss and its reversion are recognized in the income statement. Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Any such reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

d) Operating leases

Operating lease expenses are recognized in the income statement in the year in which they accrue.

Any collection or payment that is made when arranging an operating lease is treated as advance collection or payment, which is allocated to profit or loss over the lease term as the benefits of the leased asset are provided or received.

e) Financial instruments

e.1) Financial assets

Recognition and measurement

At initial recognition, the Company classifies all financial assets into one of the categories listed below, which determines the initial and subsequent measurement methods used:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost
- Financial assets at fair value through equity
- Financial assets at cost

Financial assets at fair value through profit or loss

The Group classifies a financial asset in this category unless it should be classified into one of the other categories.

Financial assets held for trading are classified into this category. The Group considers that a financial asset is held for trading when it meets at least one of the following three circumstances:

a) It is acquired for the purpose of selling in the near future.

b) At initial recognition, it is part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

c) It is a derivative financial instrument, provided that it is not a financial guarantee contract or has been designated as a hedge.

Additionally, upon initial recognition the Group has the possibility of irrevocably measuring a financial asset at fair value through profit or loss that would otherwise have been included in another category (the "fair value option"). This option is permitted if the Group eliminates a measurement inconsistency or accounting mismatch that would otherwise arise from measuring assets or liabilities on different bases.

The financial assets classified into this category are initially measured at fair value, which unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Directly attributable transaction costs are recognized in the income statement for the year (that is, they are not capitalized).

Subsequent to initial recognition, the Group measures the financial assets included in this category at fair value through profit or loss (financial profit/loss).

Financial assets at amortized cost

The Group classifies a financial asset in this category, even when it is admitted to trading on an organized market, if the following conditions are met:

- The Group keeps the investment under a management model whose purpose is to receive the cash flows derived from the execution of the contract.

  Managing a portfolio of financial assets to obtain contractual cash flows does not mean that all instruments should be held to maturity; they can be managed for that purpose even when they are sold or are expected to be sold in the future. In this regard, the Company considers the frequency, the amount and timetable of sales in prior years, the reasons for these sales and expectations for future sales.

- The contractual characteristics of the financial asset give rise on specified dates to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, cash flows are inherent to an agreement that is an ordinary or common loan in nature, without prejudice that a zero interest rate or below-market interest rate is agreed for the transaction.

  It is considered that this condition is met in the case of a note or basic loan with a specific maturity date and on which the Company receives interest at a floating market rate, and may be subject to a limit. On the contrary, it is considered that this condition is not met in the case of instruments convertible into equity instruments of the issuer, reverse floating rate loans (that is, a rate that carries a spread inversely related to market interest rates) or loans where the issuer can defer payment of interest if that could impact its solvency, with deferred interest not accruing further interest.

In general, trade receivables and non-trade receivables (other receivables) are included in this category.

At initial recognition, financial assets in this category are recognized at fair value, which, unless there is evidence to the contrary, it is considered to be the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs. That is, inherent transaction costs are capitalized.

Nevertheless, trade receivables which mature within less than one year with no specific contractual interest rate, as well as loans to personnel, receivable dividends and called-up payments on equity instruments, the amount of which is expected in the short term, are carried at nominal value when the effect of not discounting cash flows is not significant.

Subsequently, they are measured at amortized cost. Interest is recognized in the income statement (finance income) using the effective interest method.

Receivables maturing within a year that, as explained above, are initially stated at nominal value will continue to be measured at nominal value unless they have become impaired.

In general, when contractual cash flows from a financial asset at amortized cost change because of financial difficulties of the issuer, the Company analyzes whether an impairment loss should be recorded.

Financial assets at fair value through equity

This category includes the financial assets that meet the following conditions:

- The financial instrument is not held for trading and cannot be classified at amortized cost.
- The contractual characteristics of the financial asset give rise on specified dates to cash flows that are solely collections of principal and interest on the principal amount outstanding.

The Group does not apply the option of classifying investments in equity instruments in this category.

At initial recognition, financial assets in this category are recognized at fair value, which, unless there is evidence to the contrary, it is considered to be the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs. That is, inherent transaction costs are capitalized.

They are subsequently measured at fair value without deducting any transaction costs that may be incurred upon disposal. Changes in fair value are recognized directly in equity until the financial asset is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in the income statement.

Impairment losses and foreign exchange gains and losses on monetary assets are recognized in the income statement rather than in equity.

Interest earned is also recognized in the income statement, calculated using the effective interest method, as well as any dividends (finance income).

Financial assets at cost

The Group includes in this category:

a) Investments in group companies, joint ventures and associates (separate financial statements).

b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price on an active market for an identical instrument or be reliably measured, and derivatives whose underlying assets are these investments.

c) Hybrid financial assets whose fair value cannot reliably measured, unless they meet the requirements for them to be recorded at amortized cost.

d) Contributions made as a result of joint account contracts or similar agreements.

e) Participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity.

f) Any other financial asset that should initially be classified at fair value through profit or loss when fair value cannot be reliably estimated.

Investments included in this category are initially measured at cost, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs. That is, inherent transaction costs are capitalized.

In the case of investments in group companies, if an investment exists prior to its classification as an investment in a group company, joint venture or associate, cost value is deemed to be the investment's recognized carrying amount immediately prior to the company being classified as such.

Subsequent measurement is also at cost, less any accumulated impairment losses.

Contributions made as a result of joint account contracts and similar agreements shall be measured at cost plus or minus the gain or loss, respectively, attributable to the company as a non-trustee venturer, less any accumulated impairment.

The same principle is applied to participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity. If in addition to a contingent interest an irrevocable fixed interest is agreed on, the irrevocable fixed interest is recorded as finance income on an accruals basis. Transaction costs are recorded in the income statement on a straight-line basis over the life of the participation loan.

Derecognition of financial assets

The Group derecognizes a financial asset from the balance sheet when:

- The contractual rights to receive cash flows from the asset have expired. In this regard, a financial asset is derecognized when it matures and the Group has received the corresponding amount.

- The contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognized when the risks and rewards incidental to its ownership have been substantially transferred. In particular, in sale transactions under repurchase agreements, factoring or securitizations, the financial asset is derecognized once the Company's exposure to changes in amounts has been compared before and after the transfer, and it has been deduced from the timetable of net cash flows from the transferred asset that the risks and rewards have been transferred.

After analyzing the risks and rewards, the Group derecognizes the financial assets in accordance with the following situations:

a) The risks and rewards incidental to the ownership of the asset have been substantially transferred. The asset transferred is derecognized from the balance sheet and the Company recognizes the gain or loss on the transaction: the difference between the consideration received, net of attributable transaction costs (including any new asset obtained less any liability assumed) and the carrying amount of the financial asset transferred, plus any cumulative gain or loss directly recognized in equity.

b) The risks and rewards incidental to the ownership of the asset have been substantially retained. The financial asset is not derecognized and a financial liability at an amount equal to the consideration received is recorded.

c) The risks and rewards incidental to the ownership of the asset have neither been substantially transferred nor retained. In this case, there are two possibilities:

    - Control is transferred (the transferee has the practical ability to transfer the asset again to a third party): the assets is derecognized from the balance sheet.

    - Control is not transferred (the transferee has no practical ability to transfer the asset again to a third party): the Group continues to recognize the asset to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing as well the associated liability.

Impairment of financial assets

Debt instruments at amortized cost or fair value through equity

At least at year end, the Group analyzes whether there is objective evidence that a financial asset or group of financial assets with collectively measured similar credit risk characteristics is impaired as a result of one or more events which have occurred following initial measurement and which lead to a reduction or delay in estimated future cash flows due to debtor insolvency.

In the event that there is such objective evidence, impairment losses are calculated as the difference between the book value and the present value of future cash flows, including, where appropriate, estimated future cash flows from the execution of in rem and personal guarantees, discounted at the effective interest rate calculated upon initial recognition. For financial assets carrying floating interest rates, the effective interest rate used is that prevailing at the balance sheet date as per the instrument's contractual terms. Impairment losses in groups of financial assets are computed using formula-based approaches and statistical methods.

Impairment losses, and any reversals in a subsequent period when the decrease in the impairment loss can be related objectively to an event occurring after recognition of the impairment, is recognized as an expense or income, respectively, in the income statement. Reversal of impairment is limited to the book value of the asset that would have been recognized on the reversal date had no impairment loss been recognized.

The present value of future cash flows can be substituted by the instrument's market value, provided that this is considered a sufficiently reliable indicator of the amount that could be recovered by the company.

In the case of assets measured at fair value through equity, accumulated impairment losses are recognized in equity as a decrease in fair value, provided that there is objective evidence of impairment, are recognized in the income statement.

Equity instruments at fair value through equity

In this type of investments, the Parent Company considers that equity instruments are impaired when their value has decreased over 18 months and by 40% of their initial quoted price without having recovered their initial value, without prejudice that an impairment loss may need to be recorded before said period has ended or the 40% drop has been reached.

Impairment loss and its reversion are recognized as an expense in the income statement.

Should fair value increase, impairment losses recognized in prior years shall not reverse with a credit to the income statement and the increase in fair value shall be recognized directly in equity.

Financial assets at cost

In this case, the impairment loss is the difference between the carrying amount and the recoverable amount. The recoverable amount is understood to be the greater amount of either the fair value amount less cost to sell or the present value of the cash flows derived from the investment, which for equity instruments are calculated either by estimating the expected flows due to dividend payments made by the investee or the disposal or withdrawal of the investment, or by estimating the participation by the investee in the expected cash flow to be generated, coming from their ordinary activities as well as from disposal or withdrawal of investment. Unless better evidence of the recoverable amount of investments in equity instruments is available, impairment of this type of asset is estimated taking into account the equity of the investee and any unrealized capital gains existing on the measurement date, net of tax effect.

Impairment loss and its reversion are recognized as an expense or as income, respectively, in the income statement. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Interest and dividends received from financial assets

Interest and dividends from financial assets accrued subsequent to acquisition are recognized as income in the income statement. Interest is recognized using the effective interest method; dividends are recognized when the right to receive them is established.

If distributed dividends are derived unmistakably from profit generated prior to the date of acquisition given that the amounts of distributed dividends exceeded the profit generated by the associate since acquisition, the dividends are not recognized as income and decrease the cost of the investment. Judgment on whether the investee has generated profit shall be based exclusively on the profits recorded in the separate income statement since acquisition date, unless the distribution of said profit has to be classified undoubtedly as a recovery of the investment from the perspective of the entity receiving the dividends.

e.2) Financial liabilities

Recognition and measurement

At initial recognition, the Group classifies all financial liabilities into one of the categories listed below:

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

Financial liabilities at amortized cost

The Group classifies all financial liabilities into this category except when they must be measured at fair value through profit or loss.

In general, trade payables (“suppliers”) and non-trade payables (“other creditors”) are included in this category.

Participation loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice that a zero-interest rate or below-market rate is agreed for the transaction.

At initial recognition, financial liabilities in this category are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by directly attributable transaction costs. That is, inherent transaction costs are capitalized.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate, as well as called-up payments on shares, the amount of which is expected in the short term, are carried at the nominal value when the effect of not discounting cash flows is not significant.

Subsequently, they are measured at amortized cost. Interest is recognized in the income statement (finance expense) using the effective interest method.

However, payables maturing within a year that in keeping with the description above are initially stated at nominal value shall continue to be measured at nominal value.

Contributions received as a result of joint account contracts and similar agreements shall be measured at cost plus or minus the gain or loss, respectively, that shall be attributed to the non-trustee venturers.

The same principle is applied to participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity. Finance expenses are recognized in the income statement in accordance with the accruals principle, and transaction costs shall be recorded in the income statement in accordance with a financial criterion or, should that not be applicable, on a straight-line basis over the life of the participation loan.

Financial liabilities at fair value through profit or loss

In this category the Group includes the financial liabilities that meet one of the following conditions:

- These are liabilities held for trading. A financial liability is considered held for trading if it meets one of the following conditions:
    - It is issued or assumed mainly for the purpose of repurchasing it in the short term (e.g. bonds or other quoted marketable securities that the company may purchase in the short term based on changes in value).
    - It is an obligation that short sellers have to deliver the financial assets that have been lent to them ("short selling").
    - At initial recognition, it is part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
    - It is a derivative financial instrument, provided that it is not a financial guarantee contract or has been designated as a hedge.

- Since initial recognition it has irrevocably been designated as at fair value through profit or loss ("fair value option"), due to the fact that:

    - An inconsistency or "accounting mismatch" is eliminated or significantly reduced against other instruments at fair value through profit or loss; or

    - A group of financial assets and/or financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the assets and/ or liabilities is provided internally to the entity's key management personnel.

- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be entirely included in this category.

The financial liabilities included in this category are initially measured at fair value, which unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transaction costs are recognized in the income statement.

Subsequent to initial recognition, the company measures the financial liabilities included in this category at fair value through profit or loss.

Derecognition of financial liabilities

The Group derecognizes a previously recognized financial liability when one of the following circumstances occurs:

- The obligation under the liability is extinguished because payment to the creditor for cancelling the debt has been made (through payments in cash or other goods or services) or because the debtor is legally released from any responsibility for the liability.

- Own financial liabilities are acquired, even if the Company intends to resell them in the future.

- An exchange between a borrower and a lender of debt instruments with substantially different terms, recognizing the new financial liability. Similarly, any substantial modification of the terms of an existing financial liability shall also be recognized, as indicated for debt restructuring.

A financial liability is derecognized as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognized) and the consideration paid, including any attributable transaction costs, which also has to include any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

f) Hedge accounting

The Parent Company carries out cash flow hedging transactions related to future energy purchases.

Transactions are only designated as hedges when they effectively eliminate any risk inherent to the hedged item or position throughout the duration of the hedge, which means that the hedging item must be deemed highly effective at the inception of the contract (prospective effectiveness) and there must be sufficient evidence that the hedge will be effective throughout the life of the hedge (retrospective effectiveness).

The Group adequately documents its hedges, including how it intends to achieve and measure their effectiveness under its current risk management policy.

Hedge effectiveness is measured through tests to verify that the differences arising from changes in the value of the hedged item and the corresponding hedging instrument remain within a range of 80% to 125% over the remaining term to maturity, and comply with forecasts established at the related contract dates.

If at any time financial derivatives do not qualify to be treated as hedges, they are reclassified as held-for-trading derivatives.

For measurement purposes, cash flow hedges hedge exposure to variability in cash flows that is attributable to changes in energy purchase prices. Interest rate swaps are used to exchange floating rates for fixed rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized temporarily in equity; the cumulative gain or loss is reclassified to profit or loss in the year or years in which the hedged transaction affects profit or loss.

At the interim consolidated financial statements closing date (June 30, 2025), the Group's hedging strategy includes PPAs (Power Purchase Agreements) with producers of renewable plants at a fixed price for an average period of 4.5 years (until 2032) that meet the required conditions.

g) Income tax

Since the year beginning on January 1, 2023, Holaluz Clidom and subsidiaries (Clidom Solar S,L., Katae Energía S.L, Holaluz Generación S.L, Holaluz Rooftop Revolution S.L, Clidom Generación S.L, Clidom Energía Iberica S.L and Gestión Hidráulica Canarias, S.L) have filed a consolidated income tax return, with the company as the parent of the tax group. On December 22, 2022 the company informed the tax authorities of the formation of said tax group.

Income tax paid or received is calculated as the sum of the current income tax paid or received plus the portion corresponding to the deferred tax paid or received.

Current income tax is the amount resulting from applying the tax rate to the tax base for the year, after applying the appropriate tax deductions.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and unused tax credits. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit/(loss).

Deferred tax assets are only recognized when the Company considers it probable that future taxable profit will be available against which these assets may be utilized.

To determine the amount of deferred tax assets that can be recognized, the directors estimate the amounts and dates on which future taxable profits will be obtained and the reversion period of taxable temporary differences. Deferred tax assets recognized in the consolidated balance sheet at June 30, 2025 amount to 21.3 million euros (21.9 million euros at December 31, 2024), of which 0.85 million euros correspond to 25% of adjustments for changes in value of derivatives that mature subsequent to year end. In summary, accumulated tax loss carryforwards and other temporary differences amount to 20.4 million euros at June 30, 2025.

Deferred tax assets and liabilities relating to transactions charged or credited directly to equity are also recognized in equity.

Deferred taxes that have been recognized are reviewed at each balance sheet date to verify that they are still applicable, making any necessary adjustments if required. Unrecognized deferred tax assets are reassessed, recognizing them to the extent that it has become probable that taxable profit will be available against which they can be utilized.

h) Cash and cash equivalents

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are readily convertible to cash.
- They mature within less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Group's standard cash management strategy.

i) Grants

Grants are recognized as non-repayable when the requirements established for receiving them are met and are recognized directly in equity, net of the corresponding tax effect.

Repayable grants are recognized as liabilities until they meet the criterion for being considered non-repayable. No income is recorded until this criterion is met.

Grants received to finance specific expenses are released to the income statement in the year in which the expenses which they are intended to compensate are incurred. Grants received to acquire property, plant, and equipment are released to income in proportion to the depreciation charged for the related assets.

j) Provisions and contingencies

In preparing the interim financial statements, the Parent Company's Directors make a distinction between:

j.1) Provisions

Liabilities existing at the balance sheet date, arising as a result of past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or date of settlement., are recognized in the balance sheet as provisions at the present value of the amount that the Group deems most likely will have to be paid to settle the obligation.

Provisions are quantified on the basis of the best information available at the balance sheet date on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year.

The financial effect of provisions is recognized as a financial expense on the income statement. No discounts are made on those provisions falling due within twelve months that do not have a significant financial effect.

If it is no longer probable that an outflow of resources will be required to settle an obligation, the provision is reversed.

j.2) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements for the year ended June 30, 2025 include provisions when the Group considers that it will more likely than not have to settle related obligations. Provisions are measured at the present value of the best possible estimate of the amount needed to cancel or transfer the obligation to a third party. Contingent liabilities are not recognized in the consolidated balance sheet but disclosed in the notes to the consolidated financial statements.

k) Related-party transactions

Related-party transactions, independently of the degree of relationship, are recognized in accordance with general regulations, that is, initially at fair value. If the agreed-upon price of a transaction differs from its fair value, the difference is recorded taking into account the economic substance of the transaction. Subsequent measurement follows prevailing accounting regulations.

l)Income and expenses

In the recognition of revenue the Group follows a process consisting in the following stages:

a) Identifying the contract (or contracts) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations.

b) Identifying the obligation or obligations to be satisfied in the contract, representative of the commitments to transfer goods or render services to a customer.

c) Determining the transaction price, or consideration of the contract that the Company expects to be entitled to in exchange for the promised transfer of goods or rendering of services to the customer.

d) Allocating the transaction price to the obligations to be satisfied, which shall be done based on separate selling prices of each good or service promised in the contract or, where appropriate, following an estimate of the selling price when it cannot be observed independently.

e) Recognizing revenue from ordinary activities when the Group satisfies a promised obligation through the transfer of a good or rendering of a service; the obligation is satisfied when the customer obtains control over said asset or service and, thus, recognized revenue from ordinary activities shall be the amount allocated to the satisfied contractual obligation.

The Group recognizes revenue from a contract when control over the promised goods or services (that is, the obligation or obligations to be satisfied) is transferred to the customer. For each identified obligation to be satisfied, at inception of the contract the Company determines whether the commitment is met over time or at a point in time.

Income from commitments met over time is recognized based on the stage of completion towards complete fulfillment of contractual obligations provided that reliable information is available to the Company for measuring the stage of completion.

In the event of contractual obligations that are satisfied at a given point in time, income from their execution is recognized at that date. The costs incurred in the production or manufacture of a product are accounted for as inventory.

Ordinary income from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or receivable. The consideration is the price agreed on for the assets to be transferred to the customer less any discounts, rebates, and other similar items given by the Group, and any interest included in the nominal amount of loans.

In accordance with the accruals principle, income is recognized when control is transferred and expenses are recognized when they arise, regardless of when actual payment or collection occurs.

Income from energy supply is recognized when energy has been delivered to the customer in accordance with available information on the electrical system based on periodic meter readings and, where appropriate, considers an estimate of its accrual and the value of energy/product consumed from the date of available reading to the closing of the period. Estimated daily consumption is based on adjusted historical customer profiles considering seasonality and other measurable factors that affect consumption.

Certain electricity and gas system figures, including those corresponding to other companies used to estimate the overall settlement of the system that shall be materialized in the corresponding final settlements, may affect the determination of the deficit in the settlements of regulated electricity and gas activities in Spain.

Income from representation of renewable energy producers is recorded when this energy is generated, which is notified by Red Eléctrica de España and other official agencies in their respective calculations. These are the best estimates that the company has access to.

Income from installations is recorded when contracts with customers are signed and invoices corresponding to these installations are issued.

Additionally, the company recognizes income from the rendering of services over time as associated costs are incurred.

Income related to dividends is recognized in the income statement when the right to receive them is established. In case distributed dividends are derived from profit generated prior to the date of acquisition they are recognized as a decrease in the carrying amount of the investment. Interest from financial assets is recognized in the income statement using the effective interest method.

m) Termination benefits

Under prevailing labor legislation, the Group is bound to pay indemnities for the termination of labor contracts in certain conditions. Reasonably quantifiable termination benefits are recognized as an expense in the year in which the Group has created a valid expectation with respect to third parties that it will assume an obligation.

n) Accrual of customer acquisition costs

Until the year ended December 31, 2020 the Group recognized as an intangible asset all costs incurred for obtaining a new contract with a customer only if the Company estimated that these costs would be recovered in the future.

These acquisition costs correspond to the incremental costs that the Company would not have incurred had the contract not been concluded.

Pursuant to the resolution issued by ICAC on February 10, 2021, since January 1, 2021 the Group has adapted its accounting records and customer acquisition costs are therefore recorded as long- and short-term accruals based on the average life of the contract.

As from January 1, 2023, these costs are accrued over a period of 3.4 years in accordance with the average life of the contracts that the Group signs with its customers. At each year end Management assesses the period and makes the corresponding amendments prospectively, where appropriate.

Additionally, the Group records these accruals in the income statement under “Other operating expenses”.

o) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer or cancel a liability in an orderly transaction between market participants at the measurement date. Fair value shall be determined without deducting any transaction costs that may be incurred as a result of derecognition or disposal. The amount a company would receive or pay in a forced transaction, distress sale or involuntary liquidation shall not be considered as fair value.

Fair value is estimated for a certain date and, since market conditions may change over time, fair value may not be appropriate for another date. Additionally, when estimating fair value, the company considers the conditions of the asset or liability that market participants would consider when establishing the price of the asset or liability at the measurement date.

Fair value shall generally be calculated by reference to a reliable market value. Where there is an active market for an item, fair value shall be calculated using models and valuation techniques. For example, by reference to recent arm’s length transactions between knowledgeable, willing parties where available, reference to the fair value of other assets that are substantially the same, or through the use of discounted estimated future cash flow methods or models generally used to measure options.

Valuation techniques are consistent with accepted pricing methodologies used in the market. Where possible, the valuation technique used should be that proven to obtain the most realistic price estimates. They must also take into account the use of observable market data and other factors that its participants would consider when setting prices, and limit as far as possible the use of subjective considerations and non-observable or non-verifiable data.

The Company shall periodically evaluate the effectiveness of the valuation techniques used, by reference to observable prices of recent transactions involving the same asset as that being measured, or using prices based on any available and applicable observable market data or indices.

Thus, a hierarchy in the inputs used in determining fair value is deducted and a fair value hierarchy is established in order to classify estimates into three levels:

- Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.

- Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methods for which the relevant inputs are based on directly or indirectly observable market data.

- Level 3: estimates in which significant inputs are not based on observable market data.

A fair value estimate is classified into the same level of the fair value hierarchy as the lowest level input that is significant to the results of the valuation. To that effect, a significant input is an input that has decisive influence on the results of the estimate. When assessing the significance of a specific input to the estimate, specific conditions of the asset or liability being measured are considered.

p) Treasury shares

Treasury shares are recognized in equity as a decrease in "Shareholders' equity" when acquired. No loss or gain is shown in the income statement on sale or cancelation. Income and expenses incurred in connection with transactions with treasury shares are recognized directly in equity as a decrease in reserves.

4. Business combination

Business combinations in which a company gains control over one or several businesses through the merger or spin-off of several companies by acquiring all assets and liabilities of all or part of a company which constitutes one or more businesses are accounted for using the purchase method. The purchase method consists of accounting for, at the acquisition date, the assets acquired and the liabilities assumed at fair value, provided that they can be reliably measured.

The difference between the cost of the business combination and the value of identifiable assets acquired, less the cost of liabilities assumed is recognized as goodwill, where goodwill is positive, or as income in the income statement, where goodwill is negative.

Provisional values may be used to measure business combinations when the necessary measurement process has not been completed prior to the financial year end. These values should be adjusted before one year from the date of acquisition at the latest. Adjustments recognized to complete initial measurement are made retroactively, thus the adjusted values are those that would have resulted had the adjustment been made initially, and therefore the comparatives are restated.

No companies have been acquired during the years 2025 and 2024.

5. Intangible assets

At June 30, 2025 and December 31, 2024 the movements in Intangible Assets are as follows:

Cost	Balance at December 31, 2024	Investments and Charge for the year	Transfers and other*	Disposals	Balance at June 30, 2025
Industrial property	18,951	-	-	-	18,951
Development	65,004,628	1,269,228	-	-	66,273,855
Software	1,534,173	-	-	-	1,534,174
Other intangible assets	844,409	72,515	-	-	916,924
Intangible assets in progress and prepayments	-	-	-	-	-
Total	**67,402,161**	**1,341,743**	**-**	**-**	**68,743,904**
Accumulated amortization					
Industrial property	(15,230)	(98)	-	-	(15,328)
Development	(35,080,541)	(5,274,917)	-	-	(40,355,458)
Software	(1,374,499)	(34,444)	-	-	(1,408,944)
Other intangible assets	(459,093)	(99,263)	-	-	(558,356)
Total	**(36,929,363)**	**(5,408,722)**	**-**	**-**	**(42,338,085)**
NET TOTAL	**30,472,798**	**(4,066,979)**	**-**	**-**	**26,405,819**

Cost	Balance at December 31, 2023	Investments and Charge for the year	Transfers and other*	Disposals	Balance at December 31, 2024
Industrial property	18,951	-	-	-	18,951
Development	53,267,885	7,451,030	4,285,713	-	65,004,628
Software	1,533,455	719	-	-	1,534,174
Other intangible assets	677,278	167,131	-	-	844,409
Intangible assets in progress and prepayments	4,500,000	-	(4,285,713)	(214,287)	(0)
Total	**59,997,569**	**7,618,79**	**-**	**(214,287)**	**67,402,161**
Accumulated amortization					
Industrial property	(15,035)	(195)	-	-	(15,230)
Development	(23,770,459)	(11,310,083)	-	-	(35,080,541)
Software	(1,303,664)	(70,836)	-	-	(1,374,499)
Other intangible assets	(167,315)	(291,778)	-	-	(459,093)
Total	**(25,256,472)**	**(11,672,892)**	**-**	**-**	**(36,929,363)**
NET TOTAL	**34,741,097**	**(4,054,012)**	**-**	**(214,287)**	**30,472,798**

5.1. Significant movements

Additions in intangible assets recorded during the period comprised between January 1 and June 30, 2025 include the capitalization of work performed by the parent Holaluz Clidom S.A. and capitalized for an amount of 708,990 euros (5,201,275 euros at December 31, 2024), and are part of the technological innovation projects related to the optimization of demand and consumption forecast algorithms, which are especially critical to the Fair Tariff product (monthly flat tariff). This project also includes developments by external technology consulting firms amounting to 560,237 euros (2,050,355 euros at December 31, 2024). Until December 2024 the technological innovation projects also included projects related to the vertical integration of all the solar business processes, including VPP (virtual power plants) projects and flexible assets (EV chargers and batteries). Additionally, it should be noted that in the first half of 2024 4.3 million euros were transferred to Development (1.5 million euros at December 31, 2023) corresponding to the second and third phases (completed in 2024) of a development program for escalating and automating the business activities of the subsidiary Clidom Solar, S.L. carried out together with a technology consulting firm.

Based on a unique strategy of two businesses, installation of solar panels and energy management, Holaluz seeks to create the largest green energy community in Europe. The objective is to build a green ecosystem in houses transforming rooftop square meters into locally-sourced 100% renewable electricity producers and optimizing efficiency in household facilities through flexible assets such as electric vehicles chargers and batteries. The generation model proposed by Holaluz maximizes the potential of each rooftop, making it possible through the development of own technology and the use of data to distribute the energy exceeding the self-consumption of the owner of the solar panels to other users, thus democratizing the access to green locally-sourced energy.

The aim is to contribute to dismantling fossil fuel power plants and building the power grid of the future:

- Electricity is produced and consumed in houses through solar panels and batteries, which guarantees savings in market prices and fixed costs of the system (transport, distribution, etc.).
- Excess is transferred to the local grid so that other customers with no rooftop can benefit from green, cheap locally-sourced electricity with no transport or distribution costs.
- Flexible assets such as batteries and electric vehicle chargers allow customers to use green locally-sourced energy during the whole day at low fixed costs.

A holistic vision of energy management that consolidates the company's position as a key asset in the solar segment.

5.2. Intangible assets allocated to CGUs and impairment test

Development assets have been allocated to the following cash-generating units for impairment test purposes:

- Energy Management Cash-Generating Unit.
- Solar Cash-Generating Unit.

At June 30, 2025 Development assets allocated to cash-generating units are as follows:

(Thousands of euros)	Energy Management	Solar	Total
2025			
Development			
Cost	50,066,510	16,207,345	66,273,855
Accumulated amortization	(33,269,719)	(7,085,739)	(40,355,458)
Impairment losses	-	-	-
	16,796,791	**9,121,606**	**25,918,397**
2024			
Development			
Cost	48,797,282	16,207,346	65,004,628
Accumulated amortization	(29,465,651)	(5,614,890)	(35,080,541)
Impairment losses	-	-	-
	19,331,631	**10,592,456**	**29,924,087**

The recoverable amount of the Group's intangible assets has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the Board of Directors. The discount rates applied to cash flow projections to determine values in use are 10% for Energy Management and 10.25% for Solar, and cash flows beyond 5 years are extrapolated using growth rates of 2.0% for Energy Management and 2.1% for Solar.

Projected EBITDA is based on current gross margin, future impact of physical PPAs arranged by the Group, expected growth in the solar panel installation market and structure costs. EBITDA margin increases during the budgeted period due to anticipated efficiency improvements and rise in sales margin in both businesses (solar and energy management).

The discount rates used are the interest rate for 10-year public debt instruments, which are adjusted to reflect the specific risk to each CGU. Growth rates are based on long-term rates expected by the industry.

At June 30, 2025, the recoverable amount of the intangible assets of the Energy Management CGU exceeded their carrying amount by more than 160 million euros. The budgeted weighted average EBITDA margin is 8.1%. Should the CGU be unable to maintain a minimum average EBITDA margin of -0.8%, the CGU's value in use would be reduced to less than its carrying amount. An increase of 5.15 percentage points in this discount rate would give a value in use equal to the carrying amount. Lastly, a decrease in the growth rate to the minimum (0.1%) would reduce the excess between the recoverable amount and the net carrying amount of the Development heading in intangible assets at June 30, 2024 by 29.3 million euros.

At June 30, 2025, the recoverable amount of the intangible assets of the Solar CGU exceeded their carrying amount by 20.8 million euros. The budgeted weighted average EBITDA margin is 15.2%. Value in use would exceed the carrying amount, even with an EBITDA margin of 7.1%. Value in use would always exceed the carrying amount. An increase of 5.3 percentage points in the discount rate would give a value in use equal to the carrying amount.

5.3. Other information

The gross value of fully amortized intangible assets still in use is as follows:

Account	*Balance at 06.30.2025*	*Balance at 12.31.2024*
Development and Software	12,935,985	10,953,284
Industrial property	14,000	14,000
Total	**12,949,985**	**10,967,284**

No intangible assets are located outside of Spain.

6. Property, plant and equipment

At June 30, 2025 and December 31, 2024 the movements in Property, plant and equipment are as follows:

Cost	Balance at December 31, 2024	Investments and Charge for the year	Transfers and other*	Disposals	Balance at June 30, 2025
Data processing equipment	1,253,382	-	-	(5,555)	1,247,827
Installations	1,177,417	-	-	-	1,177,417
Furniture and office equipment	843,238	-	-	-	843,238
Transport equipment	210,777	-	-	-	210,777
Total	**3,484,814**	**-**	**-**	**(5,555)**	**3,479,259**
Accumulated depreciation					
Data processing equipment	(950,322)	(95,488)	-	5,555	(1,040,255)
Installations	(881,528)	(40,640)	-	-	(922,168)
Furniture and office equipment	(563,324)	(13,075)	-	-	(576,399)
Transport equipment	(166,671)	(18,924)	-	-	(185,595)
Total	**(2,561,845)**	**(168,127)**	**-**	**5,555**	**(2,724,417)**
NET TOTAL	**922,969**	**(168,127)**	**-**	**-**	**754,842**

Cost	Balance at December 31, 2023	Investments and Charge for the year	Transfers and other*	Disposals	Balance at December 31, 2024
Data processing equipment	1,293,476	10,706	-	(50,800)	1,253,382
Installations	1,362,131	2,804	-	(187,518)	1,177,417
Furniture and office equipment	843,238	-	-	-	843,238
Transport equipment	247,761	-	-	(36,984)	210,777
Total	**3,746,605**	**13,510**	**-**	**(275,302)**	**3,484,814**
Accumulated depreciation					
Data processing equipment	(788,995)	(205,762)	-	44,435	(950,322)
Installations	(750,784)	(169,496)	-	38,751	(881,528)
Furniture and office equipment	(415,709)	(147,615)	-	-	(563,324)
Transport equipment	(144,240)	(48,546)	-	26,115	(166,671)
Total	**(2,099,728)**	**(571,418)**	**-**	**109,301**	**(2,561,845)**
NET TOTAL	**1,646,877**	**(557,908)**	**-**	**(166,001)**	**922,969**

6.1. Significant movements

For the Parent Company, additions in new data processing equipment have been acquired for the renewal of laptops and other computer equipment. Additions in installations corresponded to personal protective equipment for installers of Clidom Solar, S.L. and the refurbishment of the warehouses in Barcelona and Madrid (Móstoles). There have been no additions in the period ended June 30, 2025.

6.2. Other information

The gross value of fully depreciated property, plant and equipment items still in use at the Parent Company is as follows:

Account	*Balance at 06.30.2025*	*Balance at 12.31.2024*
Data processing equipment	450,459	418,410
Furniture	22,957	20,031
Total	**473,416**	**438,441**

It is Group policy to take out the insurance policies necessary to cover the potential risks to which its property, plant, and equipment items are exposed. At June 30, 2025 these potential risks are fully covered by the insurance.

No property, plant and equipment items have been acquired between the group companies at June 30, 2025 or December 31, 2024. No property, plant and equipment items are located outside of Spain.

7. Leases and similar arrangements

7.1. Operating leases

The breakdown of lease expenses is as follows:

Description	Balance at 06.30.2025	Balance at 06.30.2024
Lease expenses	465,974	1,080,923
Total	**465,974**	**1,080,923**

Operating lease payments recognized as expenses mainly correspond to operating lease arrangements on cars and vans and to the lease on the offices of the company's headquarters.

According to the current contracts in force, the Parent Company's future non-cancelable minimum operating lease payments that may be updated in the future based on the evolution of CPI are as follows:

Maturity	06.30.2025	12.31.2024
Within one year	289,211	287,061
Between one and five years	145,502	291,003
Total	**434,713**	**578,064**

The Parent Company entered into a lease arrangement on its head offices on September 1, 2017 that expires in December 2026.

On November 19, 2021 a new rental agreement was signed, maturing in December 2026, for extending said offices. On June 17, 2024 this agreement was terminated for two of the three floors.

8. Current and non-current financial investments and current accruals

a) Non-current financial investment categories

Financial investments, except for cash and cash equivalents, are classified into the following categories:

Financial assets at amortized cost **Non-current**	06.30.2025	12.31.2024
Loans to third parties	704,001	720,774
Derivatives	-	425,999
Other financial assets	385,492	442,792
Total	**1,089,493**	**1,589,565**

Loans to third parties amounting to 0.7 million euros correspond to loans for solar panel installations that the customers will repay in fixed monthly instalments included in their electricity bill over the next 15 years (0.7 million euros at December 31, 2024). These loans were granted for the purpose of starting the activity (June 2021) and as proof of concept for raising an SPV that would make it possible to obtain specific third-party resources and to carry out the business activity rather than using the Parent Company's financing. The monthly installments of the loans are paid by the customers in the electricity bill, with the Parent Company acting as the servicer. Once the installments are received, the servicer (Holaluz-Clidom, SA) settles the installments with the finance company (Rooftop Revolution, SL). No additional loans have been granted since 2023. On June 7, 2024, the Parent Company sold 800 loans for 4.1 million euros within the framework of its dynamic asset management aimed at optimizing its financial position (Note 20.h). Said transaction has not affected the daily business of the solar business unit or the energy management business unit.

Other non-current financial assets substantially include the deposit given as a lease guarantee on the offices rental maturing in 2026 (133 thousand euros), guarantees at MIBGAS (12 thousand euros) and long-term social contributions in Avalis (28.6 thousand euros) and Cajamar (30 thousand euros), security deposits on operating leases on vehicles (15 thousand euros), 154 thousand euros deposited at the OMIP market by the subsidiary Clidomer (179 thousand euros at December 31, 2024), among others.

At June 30, 2025 the Parent Company has no non-current derivatives (0.4 million euros at December 31, 2024). The "Derivatives" balance at June 30, 2025 and December 31, 2024 is commented on in Note 16.

b) Current financial investment categories

Current financial investments are classified based on the following categories:

Financial assets at amortized cost		
Current	**06.30.2025**	**12.31.2024**
Other financial assets	2,401,883	2,832,470
Total	**2,401,883**	**2,832,470**

At June 30, 2025 and December 31, 2024 "Other financial assets" mostly corresponds to deposits given as guarantees to the electricity and gas market operators. These detailed balances mainly correspond to the Parent Company.

The "Derivatives" balance at June 30, 2025 and December 31, 2024 is commented on in Note 16.

9. Trade and other receivables

a) The breakdown of 'Trade and other receivables' corresponding to financial assets at amortized cost is as follows:

Trade and other receivables	06.30.2025	12.31.2024
Trade receivables for sales and services	12,113,482	19,772,020
Other receivables	5,018,737	5,612,257
Receivables from employees	60,253	39,725
Current income tax assets	621	4,260
Other receivables from Public Administrations	1,232,770	1,884,747
TOTAL	**18,425,863**	**27,313,009**

At June 30, 2025, the balances related to electricity sales of the Parent Company pending invoice included in "Trade receivables for sales and services" amount to 6.1 million euros (12.5 million euros at December 31, 2024) and correspond to energy supplied during the month of June, which is invoiced to customers during the first working days of the following month (in this case, July 2025). The Parent Company's operations for billing the electricity commercialization activity consist in issuing invoices for the amount of electricity consumed during the calendar month and sending the corresponding invoices to customers during the first days of the following month. This heading also includes balances receivable for invoices issued by the subsidiary Clidom Solar for solar panel installation amounting to 1 million euros (1.7 million euros at December 31, 2024). It also includes 1.3 million euros corresponding to the subsidiary Clidomer Portugal for the sale of electricity (1.4 million euros at December 31, 2024) for its representation activity (the proceeds are included with the weekly OMIE settlement).

Other receivables basically correspond to balances pending receipt from OMIE (0.5 million euros) and REE (Red Eléctrica de España, 2.8 million euros), and outstanding settlements of OTC derivatives (1.3 million euros) for the Parent Company.

The balance of receivables from public administrations amounting to 1.2 million euros is commented on in Note 18.

b) Impairment losses arising from credit risk

The balance of "Trade receivables for sales and services" is presented net of impairment losses. The movements in impairment losses, only for the Parent Company, are as follows:

Impairment losses due to credit risk	06.30.2025	12.31.2024
Opening impairment losses	(23,738,159)	(26,331,345)
Charge	(1,568,037)	(3,500,000)
Reversal	-	282,000
Utilization	-	5,811,186
Total	**(25,306,196)**	**(23,738,159)**

During the year ended June 30, 2025, the Parent Company has charged 1.6 million euros to the uncollectible balances provision.

During the year ended December 31, 2024 the Parent Company wrote off uncollectible balances from prior years for an amount of 5.8 million euros, which had been previously set aside in a provision. Consequently, they have had no impact on the income statement for the year.

10. Inventories

The breakdown of inventories at June 2025 and December 2024 is as follows:

	06.30.2025	12.31.2024
Commercial inventories	1,400,638	1,014,010
Prepayments to suppliers	326,769	130,863
Total	**1,727,407**	**1,144,873**

The balance of commercial inventories at June 30, 2025 corresponds to the solar business amounting to 1.4 million euros (1.0 million euros at December 31, 2024). There is no gas inventory at June 30, 2025. The Parent Company discontinued the gas business in the last quarter of 2022. However, following requirements from the regulator, the Parent Company had to keep a minimum level of inventory (a calculation made based on the gas customer portfolio for the past 12 months) until April 2023, when it would be able to sell this mandatory minimum stock, which was finally sold in August 2024.

The Group arranges insurance policies to ensure the recoverability of the net carrying amount of its inventories.

Impairment losses on inventories are recorded based on the decrease in the market price of certain raw materials that will not be recovered from the sale of finished products. At June 30, 2025 and December 31, 2024, the Group has impaired 0.5 million euros corresponding to EV chargers.

At June 30, 2025 and December 31, 2024 there were no firm commitments to purchase inventories.

11. Accruals

Current and non-current accruals mainly include customer acquisition costs. The movement for the year in customer acquisition costs is as follows:

Non-current	Balance at December 31, 2024	Additions	Accruals income statement	Transfers	Balance at June 30, 2025
Customer acquisition costs	4,395,405	1,576,785	-	(1,338,262)	4,633,928
Total	4,395,405	**1,576,785**	**-**	**(1,338,262)**	**4,633,928**
Current					
Customer acquisition costs	5,703,708	652,464	(5,195,924)	1,338,262	2,498,510
Total	5,703,708	**652,464**	**(5,195,924)**	**1,338,262**	**2,498,510**
TOTAL	**10,099,113**	**2,229,249**	**(5,195,924)**	**-**	**7,132,438**

Non-current	Balance at December 31, 2023	Additions	Accruals income statement	Transfers	Balance at December 31, 2024
Customer acquisition costs	8,971,555	2,404,677	-	(6,980,827)	4,395,405
Total	**8,971,555**	**2,404,677**	**-**	**(6,980,827)**	**4,395,405**
Current					
Customer acquisition costs	9,082,460	995,039	(11,354,618)	6,980,827	5,703,708
Total	**9,082,460**	**995,039**	**(11,354,618)**	**6,980,827**	**5,703,708**
TOTAL	**18,054,015**	**3,399,716**	**(11,354,618)**	**-**	**10,099,113**

In 2025 the useful life remains at 3.4 years as at 2024 year end.

Additionally, at June 30, 2025 this caption includes other accrued expenses, including 1,466 thousand euros (1,450 thousand euros at December 31, 2024) corresponding to sales commissions for customer contracts and 1,255 thousand euros to bank fees. The remaining amount corresponds to other items such as insurance premiums and other general expenses.

12. Cash and cash equivalents

The breakdown of this caption at June 30, 2025 and December 31, 2024 is as follows:

	06.30.2025	12.31.2024
Demand current accounts	2,013,635	2,208,628
Total	**2,013,635**	**2,208,628**

Current accounts earn market interest rates.

There are no additional restrictions on the availability of these balances either for the Parent Company or the subsidiaries.

13. Equity

a) Share capital and Treasury shares

At December 31, 2020, the Group's Parent Company's share capital amounted to 617,385 euros and consisted of 20,579,484 Parent Company shares with a nominal value of 0.03 euros each, fully subscribed and paid in.

On September 30, 2021, given the chance of carrying out potential acquisitions of power marketers, arisen as a result of the upward trend in the wholesale market electricity prices, and thus speed up its organic growth plan, Holaluz entered into a subordinated financing transaction convertible into Company shares for the amount of 11.36 million euros, whose conversion was approved by the shareholders at the general meeting held on November 9, 2021, through the corresponding capital increase for the same amount.

On December 10, 2021 the Parent Company's board of directors, pursuant to the authorization granted by the shareholders in general meeting, and following the board of director's report, resolved to increase capital through monetary contributions waiving pre-emptive subscription rights, for an effective aggregate amount of 7,499,990.04 euros (aggregate nominal amount of 16,292.52 euros and aggregate share premium of 7,483,697.52 euros). Additionally, the Parent Company's board of directors resolved to carry out the capital increase by issuing and placing 543,084 ordinary Parent Company shares, of the same class and series as those currently in circulation, represented by book entries. The shares are issued at a unit nominal value of 0.03 euros plus a share premium of 13.78 euros per share, giving an effective issue price of 13.81 euros per share. The board of director's agreement envisaged the possibility that the capital increase may be subscribed incompletely and delegates the power to some board directors of establishing the final terms and conditions of the capital increase, among others. On December 28, 2021 a capital increase of 6,699,990.55 euros was carried out (aggregate nominal amount of 14,554.65 euros and aggregate share premium of 6,685,435.90 euros), declaring the subscription incomplete in the amount of 799,999.49 euros. Thus, the capital increase was carried out by the issuance and placement of 485,155 new ordinary Parent Company shares. This capital increase was subscribed by three qualified investors: Abacon Invest GmbH, Pelion Green Future Alpha GMBH and MDR Inversiones, S.L.

At December 31, 2023, the Parent Company's share capital amounted to 656,661.57 euros, fully subscribed and paid in, and consists of 21,888,719 ordinary shares with a par value of 0.03 euros each.

On November 4, 2024 the parent company, Holaluz-Clidom, SA, announced Icosium Investment, SL, an industrial investor committed to advancing energy transition, as its new strategic partner with a 22 million euros investment, structured into several phases and subject to the corresponding approvals. The main purpose of this transaction is to enable Holaluz to strengthen its growth strategy. The first phase, amounting to 6.48 million euros, was executed through a capital increase, issuing new ordinary shares at 1.80 euros per share without preferential subscription rights, using the approval previously given by the shareholders at the Extraordinary General Meeting held on November 9, 2021. This gave ICOSIUM a 14.12% stake in Holaluz-Clidom, SA. and two Board seats. The aggregate capital increase carried out in the Parent Company amounts to 108,000 euros and the aggregate share premium amounts to 6,372,000 euros, which results in an aggregate effective amount of 6,480,000 euros. During the year 2024, Icosium Investment, S.L. disbursed 4.48 million euros and the remaining 2 million euros were disbursed during the first quarter of 2025.

After Icosium Investment, SL fully subscribed and paid up all the capital (6.5 million euros) corresponding to the first phase of the investment agreement, on March 18, 2025 the Capital Increase was executed through the issuance and placement of 3,600,000 new ordinary shares of the Parent Company, of the same class and series as those currently in circulation. The new shares were issued at a unit nominal value of 0.03 euros plus a share premium of 1.77 euros per share, resulting in an effective issue price of 1.80 euros per share.

As a result of the Capital Increase, the share capital of Holaluz-Clidom, S.A. has been set at 764,661.57 euros, divided into 25,488,719 shares with a nominal value of 0.03 euros each, all belonging to a single class and series.

The Company registered this capital increase in the Mercantile Registry on April 0, 2025. As indicated in accounting regulations, the amount disbursed before 2024 year end (4.48 million euros) was already recorded at December 31, 2024, as the first phase of the capital increase had been completed and filed before the financial statements were authorized for issue (Note 24). The amounts were recorded in the share capital heading (134,400 euros) and the share premium heading (4,4345,600 euros), respectively, as required by the applicable regulatory framework for financial information.

The Parent Company's share capital at June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	**December 31, 2024**
Share capital	764,662	764,662
Share capital, uncalled capital	-	(33,333)
	764,662	**731,329**

As indicated in Note 22 "Subsequent events", on March 13, 2025, the Parent Company arranged a convertible loan with Icosium Investment, SL amounting to 15.52 million euros at a conversion price of 2.10 euros per share. The loan, which is mandatorily convertible into newly issued ordinary Holaluz shares of the same class and series and with identical rights as those currently in circulation, was granted for the purpose of stabilizing existing debt obligations with suppliers, strengthening the Group's cash position to finance daily working capital, and improving the Company's operational platform for natural gas and other green energies. Furthermore, the founding shareholders of the Parent Company committed to Icosium Investment, SL, simultaneously with the subscription of the Loan, to exercise all voting rights attributed to them in such capacity at the General Shareholders' Meeting of the Parent held on April 23, 2025 in favor of a capital increase by offsetting credits. On July 23, 2025, with the approved Financial Debt Restructuring Plan (Notes 14 and 22), and after Icosium Investment, SL disbursed the principal amount of the loan, the capital increase was carried out for an aggregate nominal amount of 221,714.28 euros and an aggregate share premium of 15,298,285.32, resulting in an effective aggregate amount of 15,519,999.60 euros. The capital increase was carried out through the issuance of 7,390,476 new ordinary Parent Company shares of the same class and series as those currently in circulation, with a unit nominal value of 0.03 euros per share plus a share premium of 2.07 euros per share, which results in an effective issue price of 2.10 euros per share.

As a result of the Capital Increase, the share capital of Holaluz-Clidom, SA amounts to 986,375.85 euros, represented by 32,819,195 shares with a nominal value of 0.03 euros each, all belonging to a single class and series. Note 22 shows the Equity caption as it would appear at June 30, 2025 including this capital increase that cannot be technically registered at the end of the first half of the year as the process was executed during the month of July and that the Parent Company's directors consider that provides a view closer to the Company's true structure and the strengthening of the balance sheet.

At the end of the first half of 2025, the breakdown of legal entities which hold an ownership interest greater than 10% in the Parent Company is as follows:

	06.30.2025	*12.31.2024*
Fondo Axon ICT III, FCR de Rég. Simplificado	14.43%	16.81%
ICOSIUM Investment, S.L. (*)	14.12%	10.21%

(*) On July 23, 2025 the convertible loan amounting to 15.5 million euros (capital and share premium) was converted in accordance with the conditions agreed upon with Icosium Investment, SL and the directors of the Parent Company. As from that date, the percentages have changed and Icosium Investment, S.L. and Fondo Axon ICT III, FCR currently hold a 33.43% and a 11.19% stake, respectively, in the Parent Company's share capital.

b) Legal reserve

Under the revised text of the Spanish Capital Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At June 30, 2025 the legal reserve is fully funded.

c) Reserves and share premium

Additionally, the breakdown of consolidated reserves is as follows:

	06.30.2025		**12.31.2024**	
	Reserves in the Parent	**Reserves in consolidated companies**	**Reserves in the Parent**	**Reserves in consolidated companies**
HOLALUZ-CLIDOM, SA	(13,874,336)		(6,448,841)	
CLIDOMER, LDA		(7,852,591)		(5,369,062)
CL. SOLAR, SL		(54,227,798)		(34,794,241)
CL. ITALIA, SRL		(30,621)		(24,313)
CL. FRANCE, SARL		(38,577)		(34,980)
HOLALUZ GENERACIÓN, SL		(4,407)		(4,409)
HL ROOFTOP REVOLUTION, SL		(884,225)		360,135
CL. GENERACIÓN., SL		(1,231)		(1,291)
KATAE ENERGÍA, SL		(1,248,480)		(708,640)
CLIDOM ENERGÍA IBÉRICA, SL		(1,262,367)		(1,010,610)
GESTIÓN HIDRÁULICA CANARIAS, SL		(166,696)		(83,024)
TOTAL RESERVES	**(13,874,336)**	**(65,716,993)**	**(6,448,841)**	**(41,670,435)**

The balance of the share premium can be freely distributed, as long as equity is not lower than share capital or would not become lower than share capital as a result of distributing it.

d) Transactions with treasury shares

Treasury shares at June 30, 2025 account for 0.39% of the total Company shares (0.42% at December 31, 2024) and amount to 100,109 shares (93,369 shares at December 31, 2024), at an average acquisition price of 1.28 euros per share.

The number of treasury shares in Holaluz Clidom, SA has changed in the period due to the purchase and sale of shares in the market. The losses from this change have been recorded against reserves in accordance with applicable measurement standards.

14. Non-current and current payables

Financial debt restructuring plan

On March 10, 2025, the Parent Company signed an agreement to restructure its financial debt (which includes loans, working capital instruments, commercial paper on the MARF and bank guarantees) through the approval of a Restructuring Plan approved by the financial institutions by a majority that widely exceeded that required by applicable legislation. The Plan is based on the full repayment of the credits, as there are no reliefs or reductions thereon, and allows the Company to keep jobs (as it does not include any measure regarding employment). The Plan obtained judicial approval on June 2, 2025 and no contestation was received. It became fully effective on July 29, a few days after the investment committed to by Icosium Investment, SL was fully disbursed (by virtue of the Investment Agreement announced to the market on November 4, 2024). Consequently, the amounts recorded as current and non-current payables in the consolidated balance sheet at June 30, 2025 will no longer be valid and the new maturities agreed upon in the Plan will come into force.

Note 22 shows the Non-current and current payables captions as they would appear at June 30, 2025 considering the coming into force of the new maturities established in the Restructuring Plan. The directors of the Parent Company consider that this provides a true view of the Company in terms of structure and the strengthening of the balance sheet.

Non-current payables mainly correspond to the Parent Company and are classified based on the following categories:

	Bank borrowings		Other items	
	06.30.2025	**12.31.2024**	**06.30.2025**	**12.31.2024**
Financial liabilities at amortized cost	9,607,920	16,522,979	1,200,000	3,500,000
TOTAL	**9,607,920**	**16,522,979**	**1,200,000**	**3,500,000**

At June 30, 2025 non-current payables amounting to 9.6 million euros (16.5 million euros at December 31, 2024) include:

- 3.0 million euros corresponding to capital pending repayment mainly on ICO loans taken out by the Parent Company in 2020 and 2021 within programs launched by the Government to mitigate the effect of COVID on Spanish companies (8.1 million at December 31, 2024).

- 6.6 million euros (13.5 million euros at December 31, 2027) corresponding to ICO credit facilities taken out by the Parent Company maturing after one year. They correspond to the amounts drawn down on these credit facilities as of the reporting date. The credit facilities total 0.4 million euros.

- 12 thousand euros corresponding to finance lease payables of the subsidiary Katae Energía, SL.

- 1.2 million euros corresponding to the Green Commercial Paper Notes maturing after June 30, 2026.

No non-current loans have been taken out in 2025.

The breakdown of "Derivatives" is commented on in Note 16.

Current payables mainly correspond to the Parent Company. They are classified into the following categories:

	Bank borrowings		Other items	
	06.30.2025	**12.31.2024**	**06.30.2025**	**12.31.2024**
Financial liabilities at amortized cost	28,243,987	19,797,964	5,695,505	3,496,519
TOTAL	**28,243,987**	**19,797,964**	**5,695,505**	**3,496,519**

At June 30, 2025 current payables amounting to 28.2 million euros (19.8 million euros at December 31, 2024) include:

- 8.5 million euros corresponding to capital pending repayment on ICO loans taken out by the Company in 2020 and 2021 within programs launched by the Government to mitigate the effect of COVID on Spanish companies, and 1.8 million euros (non-ICO) corresponding to the repayment of a loan granted by ICF and a loan granted by Caixabank. No short-term loans have been taken out in the first half of 2025.

- 14.1 million euros (7.8 million euros at December 31, 2024) corresponding to ICO credit facilities taken out by the Parent Company. They correspond to the amounts drawn down on these credit facilities at June 30, 2025.

- 3.5 million euros corresponding to ordinary and ICO reverse factoring agreements taken out by the Parent Company. They correspond to the amounts drawn down on these reverse factoring agreements at June 30, 2025 (3.8 million euros at December 31, 2024).

- 15 thousand euros corresponding to finance lease payables of the subsidiary Katae Energía, SL (22 million euros at December 31, 2024).

Green Commercial Paper Note Program

On November 21, 2022 BME's Fixed-Income Market (MARF) registered the first Green Commercial Paper Notes Program of Holaluz-Clidom, SA amounting to 100 million euros. Through this program, the Company has since been able to have flexible access to qualified investors over the next twelve months (and corresponding annual renewals), within a strategy to diversify its financing sources. Holaluz structured the commercial paper notes issued under these Green Commercial Paper Notes Program so that they were considered a green instrument in accordance with the Holaluz Green Finance Framework, whereby the company can issue notes and commercial paper in accordance with the Green Bond Principles 2021 and take out financing agreements in accordance with the Green Loan Principles 2021 of the International Capital Markets Association (ICMA). To that end, Holaluz obtained a favorable opinion from Sustainalytics, which confirms that the Holaluz Green Finance Framework is aligned with the four core ideas integrating both Principles. At June 30, 2025 the balance amounts to 6.7 million euros (6.7 million at December 31, 2024).

The financial debt restructuring process included, as an affected creditor, the holder of commercial paper, which adhered to the Restructuring Plan a few days after it had been approved. The debt at June 30, 2025 amounts to 6.7 million euros. The pro forma table showing the non-current and current payables presented in Note 22 "Subsequent events" includes the reclassification of the debt from commercial paper from current to non-current in accordance with the debt maturities established in the Plan for all affected creditors.

Additionally (see Note 22 "Subsequent events"), on October 22, 2025 the Parent Company signed an agreement with the holder of commercial paper to convert the debt into a loan under a bilateral agreement, which resulted in the cancellation of commercial paper prevailing on MARF and the Company's exit from said market.

The breakdown of "Derivatives" is commented on in Note 16.

a) Classification by maturity

The breakdown by maturity of bank loans, with fixed or determinable maturity, at June 30, 2025 and December 31, 2024, is as follows:

06.30.2025	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	8,421,717	2,422,236	555,482	35,749	-	11,435,184
Credit facilities	7,648,294	10,639,998	2,592,164	-	-	20,880,456
TOTAL	**16,070,011**	**13,062,234**	**3,147,646**	**35,749**	**-**	**32,315,639**

12.31.2024	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	8,132,738	2,422,714	555,775	35,279	-	11,146,506
Credit facilities	7,921,458	10,815,401	2,693,810	-	-	21,430,669
TOTAL	**16,054,196**	**13,238,116**	**3,249,585**	**35,279**	**-**	**32,577,175**

The 32.3 million euros outstanding at June 30, 2025 mainly correspond to credit facilities and loans. As for loans, the initial capital amounted to 20.3 million euros: It should be noted that the classification by maturity of current and non-current payables has been restructured as a result of the coming into force of Financial Debt Restructuring Plan (see Note "Subsequent events"). The breakdown of said maturities is as follows:

06.30.2025	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	114,352	1,772,453	3,373,379	6,174,999	-	11,435,184
Credit facilities	208,805	3,236,471	6,159,734	11,275,446	-	20,880,456
TOTAL	**323,156**	**5,008,924**	**9,533,114**	**17,450,445**	**-**	**32,315,639**

b) Other information

Current and non-current bank borrowings, which mainly correspond to the Parent Company, are as follows:

06.30.2025			
	Limit (*)	**Current**	**Non-current**
Bank loans	20,340,276	8,500,080	3,013,768
Credit facilities	22,360,000	14,207,639	6,594,152
Factoring, reverse factoring and funded payments	7,400,000	5,585,563	-
Credit cards	81,500	(49,295)	-
TOTAL	**50,181,776**	**28,243,987**	**9,607,920**

(*) In the case of bank loans, initial amount obtained.

12.31.2024			
	Limit (*)	**Current**	**Non-current**
Bank loans	18,650,000	8,132,738	3,13,768
Credit facilities	23,030,000	7,921,458	13,509,211
Factoring, reverse factoring and funded payments	7,300,000	3,772,791	-
Credit cards	81,500	(29,023)	-
TOTAL	**49,061,500**	**19,797,964**	**16,522,979**

(*) In the case of bank loans, initial amount obtained.

In the period comprised between December 31, 2024 and June 30, 2025 the Group increased the limit available on its net bank borrowings by 1.1 million euros, mainly due to the conversion of guarantees into loans.

Of the 1.5 million euros of the limit available on credit facilities at June 30, 2025, 0.4 million euros mature in the long term, as they are ICO lines granted in 2020 and 2021 under a program launched by the Spanish Government to mitigate the effects of Covid on Spanish companies.

Additionally, the Parent Company has lines of security interests and guarantees that have been granted by several financial institutions and surety companies for an overall amount of 64.0 million euros:

- 47 million euros of surety lines, from which 20.4 million euros have been drawn down at June 30, 2025 (11.2 million euros at December 31, 2024).
- 17 million euros of bank guarantees, from which 7.9 million euros have been drawn down at June 30, 2025 (7.6 million euros at December 31, 2024).

Security interests, both sureties and bank guarantees, are given to energy suppliers (producers of renewable energies with whom the Parent Company enters into power purchase agreements - PPAs) and market operators (OMIE, OMIP, REE, REN, etc.) to be able to purchase and commercialize energy.

The interest rate paid by the Company related to bank borrowings is on average Euribor + 1.25% for the first half of 2025 (Euribor + +2.29% at December 31, 2024). This difference is due to the fact that no loans have been taken out in the first half of 2025, with a higher interest rate spread than the average of current loans.

15. Trade and other payables

The breakdown of 'Trade and other payables' is as follows:

Financial liabilities at amortized cost	06.30.2025	12.31.2024
Suppliers	55,875,258	66,712,986
Other payables	7,454,562	5,913,206
Employee benefits payable	463,924	692,311
Current income tax liabilities	1,715	1,715
Other payables to public administrations (*)	2,881,975	1,251,669
Customer advances (**)	1,551,819	1,583,286
	68,229,251	**76,155,172**

(*) See Note 18

(**) This balance mainly corresponds to Clidom Solar for advance collections from incomplete solar installations, for the amount of 1.5 million euros. The income in the income statement is recognized once the installation is completed.

At June 30, 2025 the balances for invoices pending receipt corresponding to supplied electricity included under "Suppliers" amount to 12.9 million euros (14.9 million euros at December 31, 2024), of which 5.7 million euros correspond to invoices pending receipt from the plants (8.5 million euros at December 31, 2024), 3.5 million euros to invoices pending receipt from distributors (4.3 million euros at December 31, 2024) and 2.4 million euros (1.9 million euros at December 31, 2024) to invoices pending receipt from REE (corporation operating the Spanish electricity grid). This applies to the Parent Company.

15.1. Information on the average payment period to suppliers. Additional Provision Three. "Disclosure requirements", of Spanish Law 15/2010

The information on the average payment period to suppliers is as follows:

	06.30.2025	12.31.2024
Average payment period to suppliers	120	84
Ratio of transactions paid	92	87
Ratio of transactions outstanding	124	71

	06.30.2025	12.31.2024
Total payments made	113,411,575	312,714,384
Total payments outstanding	61,299,823	72,629,483
Monetary volume of invoices paid by the deadline established in late payment regulations	48,272,398	206,391,493
Percentage of payments made by the established deadline over total payments	43%	66%
(Number of invoices)		
Invoices paid by the deadline established in late payment regulations	206,821	1,395,847
Percentage over total number of invoices	68%	73%

15.2. Provisions and contingencies

In July 2024 the Parent Company filed a request for precautionary measures as a group of companies (hereinafter the Producers) tried to execute the guarantees provided by Holaluz-Clidom SA. These measures were accepted by the Court. The Producers then lodged an appeal before the Provincial Court of Barcelona, to which the company opposed. The matter was pending ruling at the date these interim consolidated financial statements were authorized for issue.

Arbitration proceedings between Holaluz and the Producers are currently underway. The Parent Company considers that no future obligation will arise as a result of the matter described above. Consequently, the Group has not recorded any provision in this regard.

16. Hedging transactions using derivative financial instruments

The Parent Company uses derivatives to hedge the risks to which its activities, operations and projected cash flows are exposed. At June 30, 2025 and December 31, 2024 base loads of energy are covered at a fixed price. All of them end in 2027, and meet the requirements detailed in (Note 3f) on measurement policies to be classified as hedging instruments.

Cash flow hedges at fair value in force at June 30, 2025 in the Parent Company's balance sheet are as follows:

				Fair value	
Description of the hedge	**Type**	**Entity**	**Underlying**	**Assets**	**Liability**
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	(3.368172)
Over the counter	OTCCAL25	Investment entity	MWh	159,340	-
Over the counter	OTCQ325	Investment entity	MWh	461,540	-
Over the counter	OTCQ425	Investment entity	MWh	230,200	-
Over the counter	OTCQ126	Investment entity	MWh	-	(135,657)
Over the counter	OTCQ226	Investment entity	MWh	-	(839,187)
Over the counter	OTCJUL25	Investment entity	MWh	52,426	-
Over the counter	OTCAGO25	Investment entity	MWh	-	(877)
Over the counter	OTCSEP25	Investment entity	MWh	24,768	-
Total				**928,274**	**(4,343,893)**
Net					**(3,415,619)**

Cash flow hedges in force at December 31, 2024 in the Parent Company's balance sheet are as follows:

				Fair value	
Description of the hedge	**Type**	**Entity**	**Underlying**	**Assets**	**Liability**
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	(6,746,621)
EEX Power hedge	SWBCQ1-25	Investment entity	MWh	-	(25,139)
Over the counter	OTCCAL25	Investment entity	MWh	319,167	-
Over the counter	OTCQ125	Investment entity	MWh	561,258	-
Over the counter	OTCQ225	Investment entity	MWh	-	(100,398)
Over the counter	OTCQ325	Investment entity	MWh	-	(63,274)
Over the counter	OTCQ425	Investment entity	MWh	-	-
Over the counter	OTCJAN25	Investment entity	MWh	63,067	-
Over the counter	OTCFEB25	Investment entity	MWh	-	(98,510)
Over the counter	OTCMAR25	Investment entity	MWh	-	(74,418)
Total				**943,492**	**(7,108,360)**
Net					**(6,164,868)**

For accounting purposes, derivatives assets and liabilities have been classified as follows:

Derivatives	**06.30.2025**	**12.31.2024**
NC derivative assets	-	425,999
C derivative assets	4,377,244	8,260,107
NC derivative liabilities	-	(82,578)
C derivative liabilities	(5,018,040)	(7,928,268)
TOTAL	**(640,796)**	**675,260**

Additionally, at June 30, 2025 the Company's cash account includes -3.4 million euros corresponding to hedging instruments settled before maturity (-7 million euros at December 31, 2024).

The amounts recognized in the Parent Company's equity and income statement during the year related to the hedging transactions above are as follows:

	06.30.2025	12.31.2024
Amount recognized in equity - Profit / (loss)	(2,561,714)	(4,405,981)
Amount recorded directly in income statement - Profit / (loss)	(1,744,466)	1,723,030
Total	**(4,306,180)**	**(2,682,951)**

According to their nature, they are included in the consumption of goods caption.

17. Nature and extent of risks arising from financial instruments

Qualitative information

The Group centralizes financial risk management in the Finance Department, which has the necessary mechanisms in place to control exposure to fluctuations in interest rates, as well as to credit and liquidity risk. The main financial risks to which the Company is exposed are as follows:

a) Credit risk

In general, the Group keeps their cash and cash equivalents in financial entities with high credit ratings, and there is no significant concentration of credit risk with third parties. The guarantees deposited at the market operators (OMIE, MIBGAS and REE) mature within less than 12 months.

Additionally, the breakdown of trade receivables and their maturities is as follows:

	06.30.2025	12.31.2024
Not due	9,183,507	15,378,959
Past due, not impaired:		
Less than 30 days	1,024,628	1,893,312
30 – 60 days	77,819	187,874
More than 60 days	1,827,528	2,311,875
	12,113,482	**19,772,020**
Doubtful receivables	25,306,196	22,635,708
Impairment losses	(25,306,196)	(22,635,708)
Total	**12,113,482**	**19,772,020**

The impaired balances correspond to bills issued to customers in 2024 and prior years that are mostly under legal claim proceedings. The balances in the balance sheet are cancelled as these proceedings are closed, resulting in a non-recurring positive impact on the income statement in the event that the money is recovered.

b) Liquidity risk

In order to ensure ongoing liquidity and the ability to service all payment commitments arising from its activity, the Group holds the cash balances reflected in the balance sheet and the credit lines detailed in the note about financial institutions (Note 14b).

c) Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises interest rate risk, currency risk, and other price risks.

Exposure to interest rate risk is mainly related to some working capital facilities at floating rates. The purpose of interest rate risk management is to find a balance in debt structure, maintaining part of the borrowings issued at a fixed rate.

As for the market price risk of energy, the Parent Company's policy is to arrange hedging financial instruments to minimize fluctuations in the Megawatt-hour (MWh) market price of energy (Note 15) and thus ensure trade margin. Additionally, the company has PPAs and, therefore, future energy purchase is locked at a fixed price.

18. Taxes

The breakdown of this heading in the consolidated financial statements at June 30, 2025 and December 31, 2024 is as follows:

	06.30.2025			
	Debit balances		Credit balances	
Item	Non-current	Current	Non-current	Current
Value Added Tax	-	1,221,514	-	1,845,526
Canary Islands general indirect tax	-	3,331	-	483,848
Current income tax assets	-	657	-	-
Withholdings and prepayments	-	-	-	-
Deferred tax assets	21,318,331	-	-	-
Deferred tax liabilities	-	-	-	-
Current income tax liabilities	-	-	-	1,715
Electricity tax	-	-	-	503
Gas tax	-	-	-	26
Personal income tax	-	-	-	175,286
Social security agencies	-	6,559	-	376,787
Income tax payable to tax authorities	-	-	-	-
Receivable from tax authorities related to grants	-	1,330	-	-
	21,318,331	**1,233,391**	**-**	**2,883,690**

	12.31.2024			
	Debit balances		Credit balances	
Item	Non-current	Current	Non-current	Current
Value Added Tax	-	1,861,487	-	401
Canary Islands general indirect tax	-	15,371	-	221,823
Current income tax assets	-	4,260	-	-
Withholdings and prepayments	-	-		
Deferred tax assets	21,933,086	-	-	-
Deferred tax liabilities	-	-	-	-
Current income tax liabilities	-	-	-	1,715
Electricity tax	-	-	-	1,524
Personal income tax	-	-	-	191,126
Social security agencies	-	6,559	-	836,794
Income tax payable to tax authorities	-	-	-	-
Receivable from tax authorities related to grants	-	1,330	-	-
	21,933,086	**1,889,007**	-	**1,253,384**

At June 30, 2025, the VAT receivable includes the portion of VAT from the several regional tax administrations in which the Company pays taxes and which are pending receipt. During 2024, VAT receivable has substantially decreased as a result of the application of Royal Decree-Law 8/2023, of December 27, whereby all bills issued to the customers of the Parent Company whose contracted power is lower than or equal to 10kW were added 10% VAT provided that the wholesale price for the prior month was higher than 45€/MWh, whereas if the wholesale price for the prior month was lower than 45€/MWh, these contracts were added 21% VAT. At the same time, input VAT on all invoices received from the several suppliers was 21%. Consequently, during 2024 the Parent Company has generated as many VAT receivables from the tax authorities as VAT payables, which has resulted in two basic effects: The first effect is the reduction of the receivables generated in its favor compared to the prior year, while it has recovered all receivables pending collection at December 2023. Additionally, the receivables generated during 2024 have been offset against payments of operational taxes that the Company is liable to. Since 2023 the companies Holaluz-Clidom, SA, Katae Energía SL and Clidom Solar SL have formed a Single VAT Group, which allows them to offset positive and negative settlements and reduce the net profit/(loss) to be refunded from or paid to the Spanish tax authorities (see Note “Regulatory Framework”).

Since the year beginning on January 1, 2023, Holaluz Clidom and subsidiaries (Clidom Solar, Katae Energía, Holaluz Generación, Holaluz Rooftop Revolution, Clidom Generación, Clidom Energía Iberica and Gestión Hidráulica Canarias) file a consolidated income tax return, with the company Holaluz Clidom as the parent of the tax group. On December 22, 2022 the Parent Company informed the tax authorities of the formation of said tax group. Additionally, and also since the year beginning on January 1, 2023, Holaluz Clidom and its subsidiaries (Clidom Solar, S.L. and Katae Energía, S.L.) have filed VAT in accordance with the VAT group regime under the simplified mode (see Note “Regulatory Framework”).

The reconciliation of consolidated profit/(loss) before tax corresponding to the interim financial statements at June 30, 2025 is as follows:

	06.30.2025		12.31.2024	
	Tax accrued	**Tax payable**	**Tax accrued**	**Tax payable**
Profit/(loss) before income tax	(14,726,299)	(14,726,299)	(31,470,328)	(31,467,838)
Consolidation adjustments	(5,500,000)	(4,000,000)	(13,046,522)	(13,046,522)
Correction to profit/(loss) (foreign subsidiaries)	1,000,412	1,000,412	2,493,273	2,490,783
Permanent differences	137,936	137,936	785,042	785,042
Temporary differences	5,500,000	4,000,000	15,946,023	15,946,023
Unused 2023 tax loss carryforwards (recovery)	(1,586,410)	(1,586,410)	(1,586,410)	(1,586,410)
Unused tax loss carryforwards, additional provision	-	-	-	-
Unused 2024 tax loss carryforwards	-	-	12,646,248	12,646,248
Tax result	**(15,174,362)**	**(15,174,362)**	**(14,232,675)**	**(14,232,675)**
Total tax liability (25% of tax result)	(3,793,590)	(3,793,590)	(3,558,169)	(3,558,169)
Adjustment tax rate foreign subsidiaries				
Deductions				
Other items				
Deferred assets Temporary differences				
Net tax payable	**(3,793,590)**	**(3,793,590)**	**(3,558,169)**	**-**
Withholdings and prepayments	-	-	-	(621)
Non-capitalization of 2024 tax loss carryforwards	-	-	3,558,169	-
Non-capitalization of 2025 tax loss carryforwards	3,793,590	3,793,590	-	-
Income tax expense / Income tax (refund) / payable	**-**	**-**	**-**	**(621)**

Deferred tax assets recorded

The breakdown of the balance of this account in euros is as follows:

	06.30.2025		12.31.2024	
Item	**Amount**	**Maturity**	**Amount**	**Maturity**
Tax credits related to unused tax loss carryforwards	11,029,875		11,029,875	
Arisen in 2016 and prior years				
Arisen in 2017	59,158		59,158	
Arisen in 2018	288,068		288,068	
Arisen in 2019	528,504		528,509	
Arisen in 2020	128,240		128,290	
Arisen in 2021	1,208,197		1,208,197	
Arisen in 2022	4,548,690		4,548,690	
Arisen in 2023	4,269,017		4,269,017	
Unused deductions:				
2016-17 deduction for IT	144,047		144,047	2034
2017-18 deduction for IT	259,637		259,637	2035
2018-19 deduction for IT	282,991		282,991	2036
2019-20 deduction for IT	384,843		384,843	2034
4Q 2020 deduction for IT	100,832		100,832	2038
2021 deduction for IT	923,041		923,041	2039
2022 deduction for IT	1,158,568		1,158,568	2040
2023 deduction for IT	689,409		689,409	
2014-15 deduction for donation	729		729	2,024
2015-16 deduction for donation	1,925		1,925	2,025
2016-17 deduction for donation	2,275		2,275	2,026
2018-19 deduction for donation	4,350		4,350	2,028
2021 deduction for donation	24,815		24,815	2,031
2022 deduction for donation	19,250		19,250	2,032
2023 deduction for donation	72,282		72,282	2,033
Adjustment for derivatives	853,905		1,468,660	
Temporary differences				
2013-19 Amortization (25%)	-			2025-2033
Deferred assets Temporary differences	5,365,556		5,365,556	2033
Total	**21,318,331**		**21,933,086**	

Technological innovation deductions derive from the technological transformation project that the Parent Company is developing (Note 6) and independent experts have certified that they meet the R&D&I requirements set forth in article 35 of Law 27/2014, of November 27, on the Income Tax.

The Group estimated the taxable profits which it expects to obtain over the next ten fiscal years (period for which it considers the estimates to be reliable) based on the business and strategic plan. It also analyzed the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used. Based on this analysis, deferred tax assets for unused tax loss carryforwards have been recognized, as well as deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized. Accordingly, the Company has decided not to capitalize the deferred tax assets generated at June 30, 2025.

On January 16, 2024 an amendment to model 200 tax return for the year 2022 was submitted to the tax authorities as a result of ruling 11/2024 issued on January 18, 2024 by the Constitutional Court on the Unconstitutionality Issue 2577-2023. This ruling rendered null and void the limitation on the offset of tax losses established by Royal Decree-Law 3/2016. At the date these interim consolidated financial statements were authorized for issue, the estimate of the amendment requested has been received. Consequently, the Company has included the corresponding impact on the deferred tax assets. The impact estimated by the tax authorities is an increase in deferred tax assets related to technological innovation amounting to 440,746 euros and the full utilization of the company's tax losses for 2022 and prior years. Lastly, after a comprehensive review of the deferred tax assets corresponding to technological innovation projects, an adjustment against 2023 has been recorded to give a true and fair view in accordance with the Company's tax policy, as indicated in Note 2.1.

Years open to inspection and tax inspections

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. At June 30, 2025, the Parent Company is open to inspection for the income tax for 2019 and subsequent years and for all other applicable taxes for 2020 and subsequent years. The Parent Company's Directors consider that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, in the event that they materialize as a result of a tax inspection, would not have a material impact on the interim consolidated financial statements at June 30, 2025.

19. Income and expenses

a) Turnover

The distribution of revenue by activity category is as follows:

Activities	06.30.2025	06.30.2024
Commercialization of electricity	64,690,002	88,636,224
Commercialization of gas	1,875	-
Representation of electricity	10,973,744	56,009,939
Solar segment sales	3,540,968	7,604,254
Total	**79,206,590**	**152,250,417**

Revenue has been entirely generated in Spain, except for 3.6 million euros (10.7 million euros at June 30, 2024) corresponding to electricity representation in Portugal.

The sales for the commercialization of electricity and gas is recorded as income when the energy is delivered to the customer based on the amounts supplied and including an estimate of unbilled energy supplied. The Parent Company operates only in the free market.

For the years 2024 and 2025, as a result of the termination of the gas business in the last quarter of 2022, the "sale of gas from the market" caption does not include any gas sale, but adjustments from prior periods.

Income from representation of renewable energy producers is recorded when this energy is generated, which is notified by Red Eléctrica de España and other official agencies in their respective calculations. These are the best estimates that the company has access to.

Revenue from Solar sales is recorded in accordance with the stage of completion of the installations.

b) Cost of sales

The breakdown of the "cost of sales" balance by activity developed by the companies is as follows:

Net purchases	*06.30.2025*	*06.30.2024*
Purchases of electricity from the market	52,613,660	57,494,932
Purchases of gas from the market	22,168	199,516
Purchases of electricity for representation	12,334,966	59,245,428
Costs of financial derivatives	803,438	7,748,361
Purchase of equipment for solar segment sales	2,326,123	2,960,944
Change in inventory	(386,628)	675,668
Total	**67,713,727**	**128,324,848**

All the purchases by the Parent Company and by the Clidom Solar subsidiaries are carried out in the Spanish market. All the purchases by the subsidiary Clidomer are carried out in the Portuguese market.

For the years 2024 and 2025, as a result of the termination of the gas business in the last quarter of 2022, the "purchase of gas from the market" caption does not include any gas procurement, but adjustments from prior periods.

c) Employee benefits expense

The breakdown of this heading in the consolidated financial statements at June 30, 2025 and 2024 is as follows:

Employee benefits expense	*06.30.2025*	*06.30.2024*
Wages and salaries	5,178,529	8,981,604
Social Security paid by the company	1,368,401	2,727,201
Termination benefits	1,725	517,898
Total	**6,548,655**	**12,226,703**

The Parent Company and the subsidiaries Clidom Solar (sales staff) and Katae Energía (installers) have employees. None of the other group companies has employees and they are all managed directly from the parent.

As detailed in Note 21, the Company's headcount has decreased by 119 employees since the 2024 year end, with a direct impact on personnel expenses, which have dropped substantially, since the average headcount has also decreased from 378 at December 2024 to 210 in June 2025.

d) External services

The breakdown of this heading in the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

External services	*06.30.2025*	*06.30.2024*
Leases (*)	465,974	1,080,923
Repairs and maintenance	50,932	44,078
Independent professional services	1,835,722	2,619,520
Transportation services	8,795	44,132
Insurance premiums	740,749	647,320
Bank services	343,323	460,171
Publicity, advertising and public relations	5,312,714	9,011,430
Utilities	84,664	241,006
Other services	2,226,880	4,097,488
Total	**11,069,752**	**18,246,068**

(*) note 7.1 (leases)

At June 30, 2025 the 'Publicity, advertising and public relations' heading includes 5.2 million euros corresponding to accruals of customer acquisition costs (6.3 million euros at June 30, 2024). The "Other services" heading at June 30, 2025 includes 1.8 million euros corresponding to the external customer service, licenses, servers and web tools (2.9 million at June 30, 2024).
At June 30, 2025, the "Independent professional services" heading includes 1.3 million euros corresponding to customer acquisition costs (1.3 million euros at June 30, 2024) (Note 11).

e) Depreciation and amortization

The breakdown of this heading in the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

	06.30.2025	*06.30.2024*
Property, plant and equipment	168,127	369,062
Intangible assets	5,408,722	5,675,661
Total	**5,576,849**	**6,044,723**

f) Other gains/(losses)

The breakdown of this heading in the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

	06.30.2025	*06.30.2024*
Non-recurring expenses	2,304,115	698,018
(Non-recurring income)	(757,736)	(601,415)
Gains/(losses) on disposals	(4,566)	137,343
Total	**1,541,813**	**233,946**

Non-recurring expenses include 1.5 million euros corresponding to losses from a PPA contract that was expected to be canceled at the beginning of 2025. Due to the delay in the approval of the Restructuring Plan indicated in Note 2.c, the transaction was finally completed in June 2025.

g) Finance costs

The breakdown of this heading in the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

	06.30.2025	*06.30.2024*
Interest on payables	1,016,442	1,583,794
Interest on discounted bills at other financial institutions	-	49,560
Other finance costs	16,587	169,580
Total	**1,033,030**	**1,802,934**

h) Impairment losses and gains (losses) on disposals of financial instruments

The breakdown of "Impairment losses and gains/(losses) on disposals of financial instruments" corresponding to the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

	06.30.2025	*06.30.2024*
Short-term credit losses, other companies	-	1,385,864
Total	**-**	**1,385,864**

i) Segment information

The Group classifies its management activity into the following segments:

- Commercialization (Electricity & Gas)
- Representation (Electricity)
- Solar

The Group's financial information by operating segment for the interim consolidated financial statements at June 30, 2025 and 2024 is as follows:

06.30.2025	Commercialization(electricity & gas)	Representation (electricity)	Subtotal Energy Management	Solar	TOTAL
Revenue	64,691,877	10,973,744	75,665,622	3,540,968	79,206,590
Change in inventory	-	-	-	16,646	16,646
Work performed and capitalized	708,990	-	708,990	-	708,990
Cost of sales	(53,439,266)	(12,334,966)	(65,774,232)	(1,956,141)	(67,730,373)
Employee benefits expense	(3,278,780)	-	(3,278,780)	(3,269,875)	(6,548,655)
Other operating income and expenses	(11,267,194)	(8,930)	(11,276,124)	(938,968)	(12,215,092)
Other gains and losses	(1,922,090)	(17,889)	(1,939,979)	398,166	(1,541,813)
Depreciation and amortization	(4,057,506)	-	(4,057,506)	(1,519,343)	(5,576,849)
OPERATING PROFIT/(LOSS)	**(8,563,969)**	**(1,388,040)**	**(9,952,009)**	**(3,728,547)**	**(13,680,556)**
Finance profit/(loss)	822,304	-	822,304	(1,868,047)	(1,045,743)
PROFIT/(LOSS) BEFORE TAX	**(7,741,665)**	**(1,388,040)**	**(9,129,706)**	**(5,596,593)**	**(14,726,299)**
Segment assets	57,324,386	5,827,726	63,152,112	26,761,790	89,913,901
Segment liabilities	57,324,386	5,827,726	63,152,112	26,761,790	89,913,901

06.30.2024	Commercialization(electricity & gas)	Representation (electricity)	Subtotal Energy Management	Solar	TOTAL
Revenue	88,636,224	56,009,939	144,646,1693	7,604,254	152,250,417
Change in inventory	-	-	-	(675,668)	(675,668)
Work performed and capitalized	1,506,220	-	1,506,220	1,347,501	2,853,721
Cost of sales	(65,442,808)	(59,245,428)	(124,688,236)	(2,960,944)	(127,649,179)
Employee benefits expense	(4,576,616)	-	(4,576,616)	(7,650,088)	(12,226,703)
Other operating income and expenses	(14,629,990)	(23,244)	(14,653,234)	(3,896,572)	(18,549,806)
Other gains and losses	(8,222)	(3,000)	(11,222)	(222,724)	(233,946)
Depreciation and amortization	(3,980,607)	-	(3,980,607)	(2,064,116)	(6,044,723)
OPERATING PROFIT/(LOSS)	**1,504,201**	**(3,261,732)**	**(1,757,532)**	**(8,518,357)**	**(10,275,888)**
Finance profit/(loss)	(811,771)	-	(811,771)	(2,385,946)	(3,197,717)
PROFIT/(LOSS) BEFORE TAX	**692,430**	**(3,261,732)**	**(2,569,303)**	**(10,904,303)**	**(13,473,605)**
Segment assets	87,568,637	6,411,240	93,979,877	30,123,589	124,103,466
Segment liabilities	87,568,637	6,411,240	93,979,877	30,123,589	124,103,466

20. Information on environmental issues

The Group's activity and fixed assets do not fall within the scope of application of the European regulations on CO2 emissions. Thus, the Group has no provisions for environmental risks and expenses since it considers that no risks exist for this matter.

Consequently, there have been no environmental investments during the period comprised between December 31, 2024 and June 30, 2025.

21. Related-party transactions

Group transactions with related parties from December 31, 2024 to June 30, 2025, as well as the nature of the relationship, were as follows:

Related party	Nature of the relationship
Carlota Pi Amorós	Shareholder and Director
Ferran Nogué Collgròs	Shareholder and Director
Oriol Vila Grifoll	Shareholder and Director
Icosium Investment, SL	Shareholder and Director
Elena Gómez del Pozuelo	Director
Eduardo Soler Vila	Director

a) Directors and senior executives

The remuneration earned by the members of the Parent Company's Board of Directors from December 31, 2024 to June 30, 2025 amounts to 338 thousand euros (425 thousand euros at June 30, 2024). Senior executive duties are carried out by the members of the Parent Company's Board of Directors.

At June 30, 2025 and 2024 the Parent Company had no pension plans or life insurance policies for former or current members of the Board of Directors.

At June 30, 2025 and 2024, no advances or loans had been given to the members of senior management or the Board of Directors, nor had any guarantees been given on their behalf.

At June 30, 2025 director liability insurance premiums for damages arising in the performance of director duties have been paid for an amount of 18 thousand euros (18 thousand euros at June 30, 2024).

For the purposes of article 229 of the Corporate Enterprises Act, the Parent Company's Directors have expressly stated that there are no situations representing a conflict of interest for the Parent.

b) Other information

The Group's average headcount from December 31, 2024 to June 30, 2025 and at the closing date of the interim consolidated financial statements (June 30, 2025) by categories, and the breakdown of headcount by gender, are as follows:

Headcount at June 30, 2025:

June 30, 2025				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	13	8	5	-
Middle managers and qualified technicians	61	35	26	2
Operations, sales and administrative staff	99	63	36	-
Total	**173**	**106**	**67**	**2**

Average headcount from January 1, 2025 to June 30, 2025:

June 30, 2025				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	14	8	6	-
Middle managers and qualified technicians	62	34	25	2
Operations, sales and administrative staff	135	84	50	-
Total	**210**	**127**	**81**	**2**

Headcount at December 31, 2024:

December 31, 2024				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	12	8	4	-
Middle managers and qualified technicians	98	64	34	1
Operations, sales and administrative staff	182	102	80	4
Total	**292**	**174**	**118**	**5**

Average headcount from January 1, 2024 to December 31, 2024:

December 31, 2024				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	14	9	5	-
Middle managers and qualified technicians	125	78	47	1
Operations, sales and administrative staff	239	136	103	5
Total	**378**	**223**	**155**	**6**

Since May 2018 the Parent Company has complied with the Disability Act (formerly Social Integration for Disabled People Act) whereby at least 2% of the Company's staff has to include people with a disability equal to or greater than 33%, as its average headcount is higher than 50 employees.

The fees accrued for the audit services provided by the Group's auditors for the limited review of the interim separate and consolidated financial statements at June 30, 2025 amount to 39 thousand euros (32 thousand euros for the audit of the interim separate and consolidated financial statements at June 30, 2024).

22. Subsequent events

Financial debt restructuring plan

On March 10, 2025, the Parent Company signed an agreement to restructure its financial debt (which includes loans, working capital instruments, commercial paper on the MARF and bank guarantees) through the approval of a Restructuring Plan approved by the financial institutions by a majority that widely exceeded that required by applicable legislation. The Plan is based on the full repayment of the credits, as there are no reliefs or reductions thereon, and allows the Company to keep jobs (as it does not include any measure regarding employment). The Plan obtained judicial approval on June 2, 2025 and no contestation was received. It became fully effective on July 29, a few days after the investment committed to by Icosium Investment, SL was fully disbursed (by virtue of the Investment Agreement announced to the market on November 4, 2024). Consequently, the amounts recorded as current and non-current payables in the consolidated balance sheet at June 30, 2025 (see Note 14) will no longer be valid and the new maturities agreed upon in the Plan will come into force.

The breakdown of the new bank debt maturities, at June 30, 2025, would be as follows:

06.30.2025	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	114,352	1,772,453	3,373,379	6,174,999	-	11,435,184
Credit facilities	208,805	3,236,471	6,159,734	11,275,446	-	20,880,456
TOTAL	**323,156**	**5,008,924**	**9,533,114**	**17,450,445**	**-**	**32,315,639**

Convertible loan and capital increase

As indicated in Note 13 "Shareholders' equity", on March 13, 2025, the Parent Company arranged a convertible loan with Icosium Investment, SL amounting to 15.52 million euros at a conversion price of 2.10 euros per share. The loan, which is mandatorily convertible into newly issued ordinary Holaluz shares of the same class and series and with identical rights as those currently in circulation, was granted for the purpose of stabilizing existing debt obligations with suppliers, strengthening the Group's cash position to finance daily working capital, and improving the Company's operational platform for natural gas and other green energies. Furthermore, the founding shareholders of the Parent Company committed to Icosium Investment, SL, simultaneously with the subscription of the Loan, to exercise all voting rights attributed to them in such capacity at the General Shareholders' Meeting of the Parent held on April 23, 2025 in favor of a capital increase by offsetting credits. On July 23, 2025, with the approved Financial Debt Restructuring Plan (Notes 14 and 22), and after Icosium Investment, SL disbursed the principal amount of the loan, the capital increase was carried out for an aggregate nominal amount of 221,714.28 euros and an aggregate share premium of 15,298,285.32, resulting in an effective aggregate amount of 15,519,999.60 euros. The capital increase was carried out through the issuance of 7,390,476 new ordinary Parent Company shares of the same class and series as those currently in circulation, with a unit nominal value of 0.03 euros per share plus a share premium of 2.07 euros per share, which results in an effective issue price of 2.10 euros per share.

As a result of the Capital Increase, the share capital of Holaluz-Clidom, SA amounts to 986,375.85 euros, represented by 32,819,195 shares with a nominal value of 0.03 euros each, all belonging to a single class and series. The table below shows the Equity caption as it would appear at June 30, 2026 including this capital increase that cannot be technically registered at the end of the first half of the year as the process was executed during the month of July and that the Parent Company's directors consider that provides the true view of the Company's structure and the strengthening of the balance sheet.

	June 30, 2025 (pro forma)	June 30, 2025	December 31, 2024
SHAREHOLDERS' EQUITY	43.4	27.9	38.8
Share capital	1.0	0.8	0.7
Share premium	83.4	68.1	66.2
Reserves	-27.9	-27.9	-7.5
Treasury shares	-0.1	-0.1	-0.1
Profit/(loss) for the year	-13.0	-13.0	-20.5
VALUATION ADJUSTMENTS	-2.6	-2.6	-4.4
EQUITY	**40.8**	**25.3**	**34.4**

Green Commercial Paper Note Program

On November 21, 2022 BME's Fixed-Income Market (MARF) registered the first Green Commercial Paper Notes Program of Holaluz-Clidom, SA amounting to 100 million euros. Through this program, the Company has since been able to have flexible access to qualified investors over the next twelve months (and corresponding annual renewals), within a strategy to diversify its financing sources. Holaluz structured the commercial paper notes issued under these Green Commercial Paper Notes Program so that they were considered a green instrument in accordance with the Holaluz Green Finance Framework, whereby the company can issue notes and commercial paper in accordance with the Green Bond Principles 2021 and take out financing agreements in accordance with the Green Loan Principles 2021 of the International Capital Markets Association (ICMA). To that end, Holaluz obtained a favorable opinion from Sustainalytics, which confirms that the Holaluz Green Finance Framework is aligned with the four core ideas integrating both Principles. At December 31, 2024 the balance amounted to 6.7 million euros (19.8 million at December 31, 2023).

The financial debt restructuring process included, as an affected creditor, the holder of commercial paper, which adhered to the Restructuring Plan a few days after it had been approved. The debt at June 30, 2025 amounts to 6.7 million euros. The pro forma table showing the non-current and current payables presented in this note includes the reclassification of the debt from commercial paper from current to non-current in accordance with the debt maturities established in the Plan for all affected financial creditors.

Additionally, on October 22, 2025 the Parent Company signed an agreement with the holder of commercial paper to convert the debt into a loan under a bilateral agreement, which resulted in the cancellation of commercial paper prevailing on MARF and the Company's exit from said market.

AUTHORIZATION FOR ISSUE BY THE PARENT COMPANY'S MANAGEMENT BODY OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD COMPRISED BETWEN ENDED December 31, 2024 AND JUNE 30, 2025

Pursuant to prevailing legislation, the consolidated financial statements for the period comprised between December 31, 2024 and June 30, 2025 have been authorized for issue by the Directors of HOLALUZ-CLIDOM, S.A.

Additionally, the Directors hereby confirm that they have put their handwritten signature to the aforementioned documents by signing this single-sided page that accompanies the interim consolidated financial statements, which have been drawn up from page 1 to page 66.

Barcelona, October 28, 2025

Ms. Carlota Pi Amorós
Chair

Mr. Ferran Nogué Collgròs

Mr. Oriol Vila Grifoll

Mr. Eduardo Soler Vila

Ms. Elena Gómez del Pozuelo

Mr. Lofti Bellahence

Mr. Enric Palau Llopis